

Crisis in Asia and GM Strike Slow U.S. Output

By John M. Berry
Washington Post Service

WASHINGTON — Industrial production in the United States fell in June at its steepest rate in five years, slowed by Asia's economic crisis and the strike at General Motors Corp., the Federal Reserve reported Thursday.

The fresh figures confirmed the growing view of analysts that the U.S. economy has stalled in the past three months, perhaps even contracted, as American businesses trimmed output largely because of the downturn in Asia.

Industrial production fell 0.6 percent in June, equivalent to a decline in May 1993, the Federal

Reserve reported. There has not been a more precipitous drop since the index fell 0.9 percent in March 1991, the last month of the 1990-1991 recession.

While most of the decline was attributed to an 11 percent dropoff in automotive output, linked in large

Banks rush to lend. • The European auto industry to be hurt by Asian crisis. Page 13.

part to the deepening strike at GM, the overall drop in industrial production was larger than economists had expected, and it was certainly greater than had been anticipated from the GM strike alone. This appeared to confirm the view that the falloff in demand for U.S.

exports to Asia is increasingly applying brakes to the U.S. economy, which grew at a torrid 5.4 percent rate in the first quarter.

Even outside the automobile sector, growth of industrial output was feeble, the Fed reported. Production at factories other than automobile, trucks and parts plants rose just 0.1 percent in June following a 0.1 percent decline in May. Utility output increased 0.4 percent last month while production at mines and oil wells fell 2 percent.

On Wednesday, the Commerce Department reported that business inventories had fallen slightly, by 0.1 percent, in May. That contrasted dramatically

See ECONOMY, Page 12

Chinese Dissidents Launch Campaign To Back New Party

Beijing Orders War on Smugglers

Bold Open Letter Challenges Arrests

By Seth Faison
New York Times Service

By Michael Laris
Washington Post Service

BEIJING — After years of tolerating a steady growth of lawlessness at their borders, China's leaders announced a war on smuggling Thursday.

In a sharp indictment of how corrupt and ineffectual Chinese customs officials have become, the leaders announced that a new anti-smuggling police force would be created. President Jiang Zemin, addressing an extraordinary meeting of the nation's top leaders, outlined the smuggling crisis in a way that underlined how existing border guards have simply become unwilling, or unable, to perform their job.

One of the main reasons the smuggling situation has become so desperate, Mr. Jiang pointed out, is that many of the worst offenders are Communist Party officials and People's Liberation Army officers.

It was the first time that any top Chinese official had publicly referred to the extensive role that China's military plays in smuggling.

China is confronted by rampant smuggling that involves the participation of some party, government and army organizations, as well as judicial and law enforcement departments," Mr. Jiang said.

Although the true volume of smuggled goods into China is unmeasurable, officials and businessmen estimate that it has reached tens of billions of dollars worth of goods each year. The main contraband is not drugs or illegal arms, but rather high-end goods that face such onerous import duties that it pays to bribe customs officers or pay off army transport officials so that shipments can escape scrutiny at a border.

Cigarettes, gold, and automobiles were among the heavily smuggled items cited at the meeting. Yet a wide range of industrial and consumer items like telecommunications equipment, diesel oil and chemicals are also smuggled in enormous quantities.

Even cigarettes that are produced within China are a major item for smugglers. To avoid domestic taxes, many cigarette makers export more than half their product, only to smuggle the cigarettes back into China.

With smuggling so rampant, and so deeply entrenched in the interests of powerful authorities, it is not clear how effective Beijing's new campaign will be. The size and scope of the new police force was kept vague and, critically, its new head was left unidentified.

In the first five months of this year, Chinese customs officers confiscated \$350 million of smuggled goods, a fraction of the overall volume. In an official report published this week, customs officers blamed local officials who often

BEIJING — In a bold challenge to the Communist Party's commitment to legal reform, 79 Chinese dissidents from 19 provinces and cities have signed their names to an open letter, disclosed Thursday, that called for the release of five dissidents who were arrested over the last week for trying to openly register a new political party.

Instead of retreating, many of those who signed the open letter say they have been emboldened by the arrests, and are using this opportunity to lay the legal and theoretical framework for a stronger political opposition in China. They have also begun to organize nationwide legal assistance for the detained men.

Lin Hui, the last of the three named founders of the China Democratic Party, was arrested Wednesday morning after three days of avoiding police in the eastern city of Hangzhou.

"It's not like before, when it was 'one soldier swimming alone,'" said Xu Wenli, one of the organizers of the aid efforts and a longtime Chinese dissident. "Now we go out and do this together." He said, "We've increased our openness and our transparency, and have gotten rid of the mysteriousness. In a situation where the phone is bugged, it's also less mysterious for them. They can relax a bit. If you are secret, they get scared."

The dissidents are exploiting a rare moment in recent Chinese history. President Jiang Zemin has consolidated power, and has given indications over the last six months that his government may be more tolerant of freedom of expression than before. The dissidents also know that Mr. Jiang has staked enormous political capital on improving relations with the United States, and thus are testing Beijing's commitment to reform following President Bill Clinton's recent trip.

"It's a put-you-money-where-you-mouth-is challenge to the regime, which has been talking about the rule of law," said Andrew Nathan, a Columbia University political science professor and expert on modern Chinese dissent. "Responding in a heavy-handed manner in the aftermath of the Clinton visit would be very costly" for the Chinese government.

Although dissidents have penned perhaps a dozen open letters in recent weeks, the one released Thursday was notable both for the large number of signatories, and for the fearless tone of many of those who took part.

"In my life, I've been arrested more than 10 times, for 11 years," said Qin Yongning, a Wuhan-based dissident and signatory of Thursday's petition who has faxed 139 issues of "Human Rights Investigations." China's first

Tour Coach Suspended Over Drugs

By Samuel Abt
International Herald Tribune

CHATEAUROUX, France — Seeking to keep a drug scandal from swamping the Tour de France, the international governing body of bicycle racing announced Thursday that it had suspended the coach of the Festina team, which is ranked first in the sport.

The coach, Bruno Roussel, a 41-year-old Frenchman, was taken into police custody late Wednesday after a few hours of questioning in the town of Cholet, where the three-week race completed its fourth daily stage.

Also being held is the team's doctor, Eric Ruyckaert, 32, a Belgian.

They were not formally arrested or charged but can be held for 96 hours and are expected to be transferred to the northern city of Lille, where the drug case is being investigated, for further questioning.

This affair has shaken the confidence of the public and disturbed the riders," said Jean-Marie Leblanc, director of the Tour, at a news conference Thursday as the suspension was announced.

"We hope that from this moment, sport will return to its rightful priority in the Tour," Leblanc said.

At his side was Martin Bruin, the race's chief commissaire, or judge, representing the International Cycling Union, which suspended Roussel's license "provisionally."

"That means for the time being," Bruin explained. "Other than that, the official comment is that there is no comment."

The International Cycling Union, which is universally known as the UCI from its initials in French, the language of professional cycling, said it suspended Roussel because he failed to respond in writing by Tuesday afternoon to questions it had raised.

Those questions concerned the arrest last week of a Festina *soigneur* — a masseur, gofer and confidant of the riders and often their unofficial doctor — at the French-Belgian border in an official Tour de France team car full of performance-enhancing drugs.

The *soigneur*, Willy Voet, 53, a Belgian, reportedly first told the French police that the drugs were for his personal use and then that he was taking them, under team orders, to the Festina doctor in Dub-

See TOUR, Page 12



Larry Cockell, center, the head of Mr. Clinton's security detail, leaving court on Thursday after getting a temporary reprieve from testifying.

Agents Lose Bid to Avoid Testifying

The Associated Press

WASHINGTON — The U.S. Court of Appeals refused Thursday to reconsider a decision ordering Secret Service officers to testify in the Monica Lewinsky investigation but gave the administration until noon Friday to appeal to the Supreme Court.

Sending a strong signal to the Justice Department, the full appeals court said not one of its 11 judges wanted to reconsider the earlier decision by a three-judge panel.

The ruling came just hours after the three-judge panel issued an emergency order stopping President Bill Clinton's chief bodyguard and eight other Secret Service officers from testifying until the full court made its decision.

Once the court declined to take the case, the Justice Department quickly exercised its last recourse: an appeal to the Supreme Court.

The administration immediately asked Chief Justice William Rehnquist to intervene to block the testimony and to take the case when the high court returns to work in October.

The Justice Department had made a mad dash from the District Court to the

See AGENTS, Page 3

World Bank Discovers Possible Fraud

Employees Suspended Amid Suspicion of Kickbacks and Embezzlement

By Lorraine Adams
Washington Post Service

WASHINGTON — The World Bank has hired outside auditors to investigate expenditures from its annual \$25 billion fund for development projects after an internal examination uncovered "alarming information" about possible kickbacks and embezzlement, according to bank officials.

The World Bank president, James Wolfensohn, acknowledged Wednesday that within the past two months he had set up a special internal fraud team and hired the accounting firm Price Waterhouse Coopers and two other outside

fraud specialists.

"I am in constant personal contact with the group," Mr. Wolfensohn said. A Treasury Department official said the Clinton administration had been briefed on the special investigation. Three mid-level employees have been notified that they are under suspicion and have been suspended, bank officials said.

Mr. Wolfensohn said the investigations were triggered by his decision that "if the bank were going to campaign against corruption in our borrowing countries, we had to be absolutely certain that we held ourselves to the highest standards on the inside."

Projects that have come under scrutiny include World Bank-financed efforts in Russia, Japan and Indonesia, according to a senior bank official who spoke on the condition of anonymity. It was unclear whether concerns about those projects centered on bank personnel supervising the work or on the private contractors involved.

One phase of the investigation, according to a statement from Mr. Wolfensohn, has led to a civil lawsuit in U.S. District Court against a former bank official, Fritz Rodriguez. The lawsuit seeks to recover "tens of thousands" of dollars in alleged kickbacks that the bank

See BANK, Page 12

See SMUGGLE, Page 12

See DISSENT, Page 12



SOS — Samuel Morse, inventor of the code whose dots-dashes have been overtaken by satellite. Page 5.

AGENDA

60 Nations Reject Limits on War Tribunal

ROME (Reuters) — Some 60 democracies rejected a plan Thursday that would have allowed the United States and other nations to opt out of the jurisdiction of an international war crimes court. Publication of a final

Downgrade on China

NEW YORK (AFP) — Standard & Poor's Corp. on Thursday reduced its outlook on China's long-term foreign-currency sovereign credit rating from stable to negative.

The agency said the change in assessment reflected the potential for rising budget costs of industrial and financial-sector reform programs because of lower growth prospects.

Books Page 4
Crossword Page 9
Opinion Pages 8-9
Sports Pages 22-23
The IHT on-line www.ihon.com

Warning on Missiles

Iran and North Korea could develop weapons capable of striking the United States sooner than intelligence analysts have predicted, according to a bipartisan Commission to Assess the Ballistic Threat to the United States. Some congressional Republicans quickly seized on the report as justification for a national missile defense system. Page 3.



CZAR'S RETURN — Soldiers in St. Petersburg carrying the coffin of Nicholas II on Thursday. President Yeltsin will attend the rites. Page 5.

Ending Resistance, House Republicans Move Toward Funds for IMF

By Katharine Q. Seelye
New York Times Service

WASHINGTON — House Republicans have taken a crucial step toward approving full financing of the International Monetary Fund, signaling a willingness to reverse their opposition to the agency out of concern that the economic crises overseas might spread to the United States.

Hours before a House panel voted \$3.5 billion for the agency, far below the \$17.9 billion requested by the Clinton administration, Representative Dick Armey, Republican of Texas, the majority leader and a harsh foe of the IMF, virtually

conceded the fight.

"In the end, I suppose they will probably get about as much money as they're looking for," Mr. Armey said Wednesday in a speech to the U.S. Chamber of Commerce.

House conservatives have been suspicious of the agency's lending practices and critical of recent loans to prop up Russia and bail out Asia. But with the Asian financial crisis deepening and threatening U.S. agricultural exports, Wall Street's anxiety is rising and building pressure on House Republicans to drop their objections to the agency.

The speaker of the House, Newt Gingrich, acknowledged the growing concerns last month

when he noted, "A lot of members who were wavering last fall now realize that it's very important for us to pass this."

Other top Republicans concurred privately with Mr. Armey on Wednesday, while predicting a loud fight when the issue goes to the full Appropriations Committee and then to the House floor later this summer. And some conservatives are still threatening to attach provisions that would restrict funds for family planning efforts overseas — a measure that President Bill Clinton opposes.

The Senate approved the full amount in March. The Clinton administration termed the House's response a piecemeal approach.

"It is time for this Congress to get serious and stop fooling around," Michael McCurry, the White House spokesman, said Tuesday.

"This is just back to close-down-the-government time, you know, and they play these games, and there is serious work to do."

Concerns about the IMF's programs were heightened this week when it was forced to dig deep into a little-used fund of last resort to provide up to \$13.8 billion in new loans to Russia over the next two years to help stabilize the ruble. The agency has not dipped into this fund in two de-

See IMF, Page 12

The Dollar			
	Thursday 4 P.M.	previous close	
DM	1.7859	1.7996	
Yen	139.96	140.555	
FF	5.9855	6.0315	
Pound	1.6413	1.635	
The Dow			
	Thursday close	percent change	
S&P 500	9,328.19	+ 1.01%	
Nasdaq	1,183.99	+ 0.78%	
	2,000.56	+ 0.30%	

Newsstand Prices			
Andorra	10.00 FF	Lebanon	11.3,000
Antilles	12.50 FF	Morocco	16 Dh
Cameroon	1,600 CFA	Qatar	10.00 QR
Egypt	12.50 FF	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10 SR
Gabon	1,100 CFA	Senegal	1,100 CFA
Italy	2,600 Lire	Spain	225 Pes
Ivory Coast	1,250 CFA	Tunisia	1,250 Dh
Jordan	1,250 JD	U.A.E.	10.00 Dh
Kuwait	700 Fils	U.S. Mil. (Eur.)	\$120

Rome's Fashion World Puts on the Cloak of Religion

Imprimé par Offprint, 73 rue de l'Exil, 75018 Paris.

THE AMERICAS

Missile Threat to U.S. Greater Than Thought

Report Singles Out Iran and North Korea

By Bradley Graham
Washington Post Service

WASHINGTON — Challenging official U.S. intelligence estimates, a congressional panel has reported that Iran and North Korea could develop weapons capable of striking U.S. territory sooner than government analysts have predicted and with little or no warning.

Members of the bipartisan Commission to Assess the Ballistic Threat to the United States declined Wednesday to link their findings to the contentious political debate over whether to deploy a national missile defense system. But some congressional Republicans quickly seized on the report as further justification for their determination to build such a shield despite the high costs and doubts about its feasibility.

The Clinton administration has committed to planning a modest system by 2000 that could be deployed within another three years should it seem warranted. But Republican lawmakers have pushed for greater spending and a firm decision to build the system, citing a threat of missile attack despite the end of the Cold War.

The speaker of the House, Newt Gingrich, Republican of Georgia, hailed the panel's study as "the most important warning about our national security since the end of the Cold War" and said he would consult with the Clinton administration and congressional leaders from both parties about establishing a bipartisan working group to review intelligence and defense capabilities.

U.S. intelligence agencies have maintained that a long-range missile threat from potential Third World adversaries is unlikely to emerge before 2010, except possibly from North Korea, and would likely be detected well in advance.

But the commission's chairman, Donald Rumsfeld, who served as defense secretary and White House chief of staff under President Gerald Ford, said at a news conference that his group had access to broader and more highly classified information than most analysts in the intelligence world and that it took a somewhat different approach by weighing the information "as senior decision-makers would."

"The threat to the United States posed by these emerging capabilities is broader, more mature and evolving more rapidly than has been reported in estimates and reports by the intelligence community," said the panel, composed of nine national security specialists, including a mix of academics and former government and military officials.

The ability of U.S. intelligence agencies to estimate the vulnerability of the United States to ballistic missiles is declining, the commission added, because the agencies do not have enough satellites and spies to track missile proliferation and because of shortcomings in

the way analysts assess information.

The commission appeared to give greater weight than government analysts to technical assistance from Russia and China, availability on international markets of missile technology and cooperation among missile-developing nations themselves. It noted that North Korea already has medium-range missiles capable of flying about 800 miles (1,300 kilometers) and is "working hard" on a missile that could reach Alaska or Hawaii. Iran, it added, is making "very rapid progress" on a medium-range missile and has the technical capability to make a long-range missile.

If international sanctions were lifted against Iraq, the panel said Iraq also could pose a missile threat to the United States within 10 years.

It warned that missile programs no longer follow the patterns of the United States and the one used by former Soviet Union that involved measured development and prolonged testing.

It said Third World countries were willing to settle for less accurate, less reliable and less safe missiles. This, it suggested, means there is less time and opportunity to detect the missile programs.

Discussing the difficulty of monitoring foreign missile development, the commission said potential adversaries also were getting better at hiding their efforts.

It noted that U.S. intelligence analysts were surprised by North Korea's deployment of its medium-range No Dong missiles after what appeared to have been only one test.



Paramedics treating Leona Siler, 13, who suffered shortness of breath standing in the unrelenting sun in Dallas.

Heat Blamed for Up to 50 Deaths in South

The Associated Press

DALLAS — Health department phone lines are being jammed with calls from people worried about surviving the searing heat as Texas suffers under a succession of days with 100-degree temperatures.

The heat wave has been blamed for nearly 50 deaths and for withering crops throughout the South. Callers to the Dal-

las County health department wanted to know how to avoid becoming a statistic.

"People need to take this heat seriously," said Betty Culbreath, director of Dallas County Health and Human Services. "We just don't want to lose any more lives."

The heat wave has stretched north into Colorado, but has been particularly

deadly across the South. It is blamed for at least 25 deaths in Texas, 6 in Oklahoma and at least 20 in Louisiana since mid-May.

Wednesday was the 23d day this year that the temperature hit or exceeded 100 degrees Fahrenheit (38 degrees centigrade) in the Dallas area, and the 10th day in a row. It was 104 degrees Wednesday at Love Field airport in Dallas.

Presidents Chafe at Their Bodyguards

But They Learn to Live With the Loss of Privacy That Security Demands

By John M. Broder
New York Times Service

WASHINGTON — The heated struggle over the independent counsel's demand for testimony by Secret Service agents guarding President Bill Clinton goes to the heart of the delicate and at times difficult relationship between the president and his bodyguards.

Mr. Clinton, like all presidents, chafes at the invasion of privacy that Secret Service protection demands as the price of protection. But over time, Mr. Clinton has come to accept the suffocating proximity of his guardians as a part of his job.

With his latest subpoena of eight Secret Service officers, including Larry Cockell, the head of the plainclothes detail guarding the president, Kenneth Starr, the independent counsel, is seeking the testimony of those with the most intimate knowledge of Mr. Clinton's movements

and his meetings to provide corroboration of other witnesses' accounts.

The Justice Department and the White House challenged those subpoenas Wednesday, saying they would intrude on a relationship that demands implicit trust and confidentiality. Breaking that bond could imperil the president's life, they say.

Mr. Starr has now served subpoenas on about 10 Secret Service employees — Mr. Cockell, several members of his uniformed division, and the agency's general counsel, John Kelleher. Mr. Cockell is currently the head of the Presidential Protective Detail, the plainclothes agents who provide immediate physical protection to the president and his family.

The uniformed division guards the White House and provides security at sites where the president appears. As guardians of the White House complex, uniformed officers control access to the

West Wing and keep detailed records of the president's visitors, although they rarely know what goes on behind closed doors.

Mr. Starr's efforts to compel the testimony of Secret Service officers have shaken the agency to its core.

Senior agency officials have said that it is a daily struggle to persuade Mr. Clinton — and every previous president — to accept the intrusive presence the Secret Service believes it needs to protect him. Hauling agents into court would shatter the necessary intimacy between the president and his guardians, agency officials contend.

When Mr. Clinton first moved into the White House in 1993, there were persistent reports of friction with agents assigned to guard him.

Mr. Clinton and the first lady, Hillary Rodham Clinton, bristled — as all new White House occupants do — at the round-the-clock protection and its inevitable infringement of personal privacy. The mood was not helped by rumors, later vehemently denied, that Secret Service agents had witnessed Mrs. Clinton throwing a lamp or a Bible at her husband.

Secret Service officials are sensitive to the burden that protection imposes on the first family.

"We are with them 24 hours a day," said a former member of the presidential detail. "We are there for moments of tension between you and your wife, your relatives, your children. We are there to experience your Christmas Eve, your Christmas Day. We're talking about the very minutiae of daily life."

Agents are seldom actually with the president when he is in the family quarters of the White House, although they do control access to the private floors of the executive mansion when the first family is in residence. Though the president can meet privately with anyone, agents are always nearby.

CIA Puts Off Publication of Aging Secrets

By George Lardner Jr.
Washington Post Service

WASHINGTON — The Central Intelligence Agency has shelved plans to open classified records on Cold War actions in the late 1940s, the 1950s and the 1960s, according to the current CIA director, George Tenet.

In a six-page statement, Mr. Tenet said he had been compelled to make the decision because the agency could not "under current budgetary limitations" afford to meet all the pending demands for declassification.

He said statutory obligations would take priority, such as opening records about the assassination of President John F. Kennedy and also materials needed to write State Department histories.

Mr. Tenet's statement drew complaints about the CIA's performance in meeting what Mr. Tenet described as its "responsibility to the American people, and to history, to account for our actions and the quality of our work."

"Nobody believes them anymore," said Anna Nelson, a historian who is a member of the Kennedy Assassination Records Review Board. "The real problem at the CIA is the way they declassify, deleting information that can easily be found in the public arena, sometimes on the front pages of The Washington Post and the New York Times."

The history declassification projects, which Mr. Tenet said he was postponing indefinitely, were set in motion by two former directors, Robert Gates and R. James Woolsey.

The subjects of the documents include secret efforts to derail Communist parties in France and Italy in the 1940s, CIA support for Indonesian rebels in the 1950s and 1960s and the U.S.-backed coup in Iran in 1954.

POLITICAL NOTES

A Republican Plan On Patients' Rights

WASHINGTON — Senate Republicans have proposed legislation to protect patients' rights, joining the American Medical Association and Democrats who have sought much more sweeping protections, including the right to sue managed-care companies.

The Senate plan, to be followed Thursday by a bill from House Republican leaders, seeks to give patients a greater choice of doctors and provide tax breaks to make insurance more affordable. The Democratic plan would cover 150 million people; the Republican plan would affect only one-third as many.

The Senate majority leader, Trent Lott of Mississippi, said he planned to bring the measure, which is still being written and finalized, to the floor before Congress leaves for vacation the first week of August.

Senator Don Nickles, the second-ranking Republican and chief architect of the bill, said, "Some of the other proposals, particularly the Democratic alternative, is well-intended, but the net result would be that it would greatly increase costs, reduce access, and frankly it would increase the bureaucracy and the regulations by unbelievable leaps and bounds."

Democrats were quick to react. The secretary of Health and Human Services, Donna Shalala, called the Republican plan "too little, too late," and Senator Edward Kennedy of Massachusetts, who helped draft the Democratic bill, said it was even weaker than the version described last month by the speaker of the House, Newt Gingrich. (NYT)

Budget Surpluses Are Looking Rosier

WASHINGTON — The Congressional Budget Office, which has come under Republican fire for being overly cautious in its economic forecasts, has issued revised figures that are relatively rosy, showing a \$63 billion budget surplus this year and combined surpluses of \$520 billion over the next five years.

Throughout the coming decade, the government will take in \$1.6 trillion more in revenue than it will spend, according to the revised report issued Wednesday, or nearly \$1 trillion more than the budget office forecasts last January.

Moreover, the government will balance its books in 2002 for the first time without drawing on the surpluses in the Social Security trust fund.

House and Senate Republican leaders who have struggled to find a politically acceptable way to finance a major new tax cut of as much as \$100 billion through reductions in domestic programs seized on the report as justification for using some of the future surpluses for tax relief.

"This is great news for every American family," said Mr. Gingrich said. "With a whopping \$520 billion surplus, we can preserve, protect and strengthen Social Security while also passing significant tax relief for hard-working Americans." (W/P)

Quote/Unquote

Geraldine Ferraro, who is struggling to raise money in her race against Senator Alfonse D'Amato of New York, on the reaction of voters to her efforts to raise funds: "What I'm finding is that they're concerned about how much is in their bank account, not how much is in my bank account." (NYT)

AGENTS: Full Court Declines to Reconsider the Order to Testify

Continued from Page 1

Supreme Court seeking to head off the testimony of Larry Cockell, who leads Mr. Clinton's security detail, and other officers subpoenaed by the independent counsel, Kenneth Starr.

Summoned to appear Thursday morning, and uncertain of the status of the legal wrangling, Mr. Cockell and the officers arrived grudgingly at the courthouse and waited outside the grand jury room for more than an hour until the appeals court issued the temporary stay at 10:20 A.M. They left immediately to resume the work of protecting the president.

But their status was immediately thrown back into doubt when the appeals court decided not to review the legal dispute.

Mike Leibig, the lawyer who represents two of the Secret Service officers who had been subpoenaed, said his clients were prepared to testify but were relieved to have been spared having to do so until the courts settle what they can and cannot talk about.

"As law enforcement officers here or anywhere, they'd like to know what their duty is before they are doing it," he said. "And some of the ambiguity is what they're concerned about. They're getting all sorts of cross opinions about what they're duty is."

Mr. Leibig said the two officers he represents, whose names he declined to provide, "do not know about some vital, embarrassing, blockbuster event" between Mr.

Clinton and Ms. Lewinsky.

A Political Fistfight

Peter Baker of The Washington Post reported earlier:

The sudden escalation of Mr. Starr's six-month campaign to secure Secret Service testimony about Mr. Clinton's relationship with Ms. Lewinsky converted what had been a polite debate among lawyers about legal privileges into a politically charged fistfight in which neither side appeared willing to back down.

Until this week, Mr. Starr had been content to wait until the legal process played itself out, but he apparently grew tired of delays by the administration after winning support from the appeals court last week and decided to force the issue.

Besides Mr. Cockell, the plainclothes agent who has overseen the presidential protective division since February, Mr. Starr on Tuesday subpoenaed seven uniformed officers, officials said yesterday, one more than previously reported.

"We will use all legal and prosecutive means to get this information as fast as we can," said Mr. Starr's spokesman Charles Bakaly.

The White House reacted swiftly and fiercely, condemning the move as the action of "an overzealous prosecutor" trying to force the president's protectors to "betray that trust," as the White House press secretary, Michael McCurry, put it on Wednesday. Mr. Clinton's private lawyers vowed a vigorous new court battle if Mr. Cockell

is asked about the president's conversations with them.

"These are tactics that are certainly questionable, and that's a mild way of saying it," Mr. McCurry said.

In opening fire, the Clinton camp broke its policy of generally not discussing the Secret Service dispute because, it has insisted, it has left the matter entirely in the hands of the agency and the Justice and Treasury Departments, which so far have lost two court fights to block agents from having to testify.

But Clinton strategists concluded it was an opportune moment to speak out, reasoning that Mr. Starr overreached by issuing new subpoenas even as the matter was still pending at the U.S. Court of Appeals for the District of Columbia Circuit. In particular, they characterized Mr. Starr as excessive for targeting the one agent most responsible for ensuring the president's safety.

What Mr. Starr wants to ask Mr. Cockell remained unclear. As the head of the detail, Mr. Cockell, 47, is virtually the president's alter ego, constantly at his hip no matter where he goes and within easy earshot of many of Mr. Clinton's conversations.

But Mr. Cockell did not begin working at the White House until the summer of 1996, after Ms. Lewinsky had already been transferred to the Pentagon, although as lead agent he may be privy to what other agents have seen and heard.

Some Clinton advisers said they feared Mr. Starr might try to ask Mr. Cockell about what he heard the president

say after leaving his Jan. 17 deposition in the Paula Jones case, where he was questioned at length about his relationship with Ms. Lewinsky. Mr. Cockell was in the limousine during the brief trip back to the White House along with Mr. Clinton and his private lawyer, Robert Bennett.

There was no indication from Mr. Starr's office that he intends to question Mr. Cockell about the car ride and risk a separate court fight, but Mr. Bennett and Mr. Clinton's other lawyer, David Kendall, suggested that was the obvious intent and would be an improper breach of attorney-client privilege.

STYLE, SOUNDS, DINING, ARTS.

Hemlines, jazz, restaurants and art — the past year's articles from the IHT can be found on our site on the World Wide Web.

<http://www.ihf.com>

Away From Politics

• Drillers at Mount Rushmore in South Dakota have cut holes 15 feet (4.5 meters) deep into the backs of the heads of George Washington and Abraham Lincoln in a project to learn how well the 57-year-old mountainside sculpture has been holding up. (AP)

• The anti-tobacco lobby opened a new front against cigarette and cigar makers when the city of Los Angeles sued 16 of them for failing to warn about the dangers of second-hand smoke. The city attorney, Jim Hahn, said it was the first legal action of its kind in the United States. (Reuters)

• A Civil War buff from France has pleaded guilty to charges that he shot and wounded a man during a re-enactment of the Civil War Battle of Gettysburg, Pennsylvania. Christian Eyo, 52, has pleaded guilty to one count of recklessly endangering another person. A charge of assault was dropped. He was sentenced to two days in jail and fined. (AP)

• A man accused of being a serial rapist who preyed on tourists at hotels was arrested in Orlando, Florida. Kenneth Taylor, 40, was arrested at his home after one victim identified him in a photo lineup. (AP)

الطريق الى

ASIA/PACIFIC

2 Party Stalwarts Vie to Lead Japan

TOKYO — The race to become Japan's next prime minister on Thursday appeared likely to become a showdown between two leading figures in the governing party, with financial markets backing the former chief cabinet secretary, Seiroku Kajiyama.

The other leading candidate is the foreign minister, Keizo Obuchi.

The governing Liberal Democratic Party put off by three days, until July 24, a vote to decide a new prime minister. It also delayed by a day, until Tuesday, a deadline for candidates to be nominated.

Foreign Minister Obuchi had seemed the apparent choice. But Japanese news organizations ran many reports saying the public was fed up with back-room deals and wanted strong leadership.

In a meeting Thursday, junior lawmakers in the party joined the chorus of disapproval, calling for a more honest decision-making process and for candidates to come forward with a clear vision for the future.

"There's a problem with the way our

party chooses its president," Tsutomu Hakebe, a member of the lower house, told a gathering of all the party's members of Parliament. "The voters are demanding an open debate."

Mr. Kajiyama, the former chief cabinet secretary, who is 72, is to meet with his party supporters on Friday morning. He is expected to announce his candidacy after that meeting.

The Liberal Democrats enjoy a comfortable majority in the lower house, so the party's candidate is assured of replacing the incumbent prime minister, Ryutaro Hashimoto.

Earlier on Thursday, Mr. Obuchi delayed until at least Friday a news conference to announce his candidacy.

His supporters — he is the head of the largest faction in the party, and he received the backing of the faction on Wednesday to run for prime minister — said the delay was to get more backing so there would be no appearance of party infighting that might worry financial markets. It was a vain hope.

Asked if Mr. Obuchi planned to change his plan to run in the election,

State Minister Munee Suzuki, who looks after Japan's northern and southernmost islands, said: "That will never happen. If he does so, it will mean he is quitting politics."

The party's policy chief, Taku Yamashita, said he supported Mr. Obuchi.

Mr. Hashimoto, prime minister since January 1996, is resigning because the party lost seats in elections for the upper house last Sunday. The elections were regarded as a no-confidence vote in his policies, which have failed to lift Japan out of its current recession, the worst since World War II.

In one sign of how the tide was turning away from Mr. Obuchi and toward Mr. Kajiyama, a cabinet minister took the unusual step of saying bluntly and publicly that Mr. Kajiyama, not Mr. Obuchi, was the man Japan needed in its hour of economic need.

"Obuchi is a great man, but in order to make a breakthrough from the current situation, we need Kajiyama," Yoshinobu Shimamura, the minister of agriculture, said at party headquarters. (AP, Reuters)

Cambodia Campaign Takes Racist Turn

Deaths of Ethnic Vietnamese Come Amid Increasingly Vitriolic Electioneering

PHNOM PENH — Three ethnic Vietnamese have been killed in an attack on a Cambodian fishing village in what the police said Thursday were the first murders targeting the minority group during an election campaign filled with vitriol against them.

The Vietnamese and another person were killed Wednesday night when five unidentified gunmen burst into their home in the eastern province of Kratie and opened fire with automatic weapons, officials said. The family had lived in Cambodia since 1980.

"It was a terrorist act, because nothing was stolen after that," said Mao Chandara, a senior Interior Ministry police official. "I think it marks the harassment of the Vietnamese before the elections."

The attackers fled in a boat. An investigation was under way in efforts to curb violence in the run-up to voting July 26.

An estimated 200,000 to 1 million ethnic Vietnamese live in Cambodia, a nation of about 10 million people. Many Cambodians harbor a deep distrust of Vietnam, which has swallowed up large tracts of Cambodian territory over the centuries.

The major opposition candidates have played up anti-Vietnamese rhetoric, saying the country risks being overrun by illegal immigrants and accusing Vietnam of designs on Cambodia.

Sam Rainsy, an opposition politician, acknowledged Thursday that he may have inadvertently raised anti-Vietnamese emotions in some of his campaign speeches, but said he has "never advocated violence or the use of violence to solve these problems."

Prime Minister Hun Sen, the Cambodian leader, is often accused by his opponents of being a tool of Vietnam. He came to power during the 1980s, when the country was under harsh Vietnamese military occupation.

Vietnamese troops invaded

Cambodia in 1979 and toppled the genocidal Khmer Rouge regime, but many Cambodians feared Hanoi intended to swallow their country. The Khmer Rouge survived for years as a guerrilla army billing itself as Cambodia's defender against Vietnam.

Annan Voices Concern

Voter intimidation, a lack of media access and a ruling party that acts with impunity are all causes for concern in

Cambodia's electoral campaign, Kofi Annan, the UN secretary-general, said Wednesday, although he cited some progress. The Associated Press reported from New York.

The United Nations is coordinating election observers for the July 26 vote, and Mr. Annan sent a statement to Mr. Hun Sen and other political parties in order to get his views on the record, according to a UN spokesman, Fred Eckhardt.

UN Envoy Sees Chance Of East Timor Solution

JAKARTA — A UN envoy discussed the conflict in East Timor with the foreign minister of Indonesia on Thursday amid fresh hopes for a solution after more than two decades of bloodshed in the disputed territory.

Democratic change following the resignation of the authoritarian President Suharto in May has pushed negotiations forward after years of paralysis.

"We have a chance, a good chance, at arriving at a solution," said Jamsheed Marker, a UN official who has been brokering talks over the future of the former Portuguese colony.

Mr. Marker spoke after meeting the foreign minister, Ali Alatas. During his weeklong trip to Indonesia, Mr. Marker is also expected to see President B.J. Habibie as well as the jailed separatist leader in East Timor, Jose Xanana Gusmao.

Mr. Marker said discussions were under way about a planned visit to East Timor. The Indonesian government as well as the territory's Roman Catholic bishop and Nobel Peace Prize winner, Carlos Ximenes Belo, have warned him not to go at this time. Both fear that violent demonstrations could erupt if Mr. Marker traveled there. During Mr. Marker's last visit, in March 1997, Indonesian soldiers killed two opposition protesters.

Tensions have heightened before the 22nd anniversary Friday of Indonesia's annexation of the territory.

Mr. Marker appealed for calm in the territory, which has endured guerrilla war and human rights abuses since 1975, when it was invaded by Indonesia a year before the annexation.

Sull, animosity is evident. On Thursday in Jakarta, Bishop Belo accused Indonesians of raping women in East Timor over two decades. And Jose Ramos Horta, co-winner of the 1996 Nobel Peace Prize with Bishop Belo, said violence around the anniversary of the annexation was "almost inevitable."

Mr. Marker said he hoped to arrange a meeting of the foreign ministers of Indonesia and Portugal along with Kofi Annan, the United Nations secretary-general.



YOUNG ACTIVIST SNARED — The police in Dhaka, capital of Bangladesh, arresting a boy during an opposition-led general strike on Thursday. Nearly 50 people, including some policemen, were injured as activists threw rocks and homemade bombs in a protest aimed in part against rising prices.

Foreign Aid Workers Face Kabul Deadline

KABUL — Afghanistan's Taleban Islamic movement said Thursday that foreign aid workers in Kabul must decide by Sunday whether to move to a college hostel or leave the war-shattered capital.

The order was issued last month. The aid workers now occupy rented private houses.

International aid agencies in Kabul are discussing the relocation order to determine a common approach, an aid worker said Thursday.

"We don't know the majority's decision whether they will pull out or will accept the order," he said. (Reuters)

Drama on Gandhi Angers Lawmakers

NEW DELHI — Indian lawmakers were up in arms Thursday against a play that they said showed the independence leader Mahatma Gandhi in poor light and painted a favorable picture of his killer.

Angry deputies in the lower house, the Lok Sabha, called for a ban on the play and accused the government of failing to defend the nation's heritage against insults to the leader who led a

Retired Gurkhas March for Pensions

KATMANDU, Nepal — Retired Gurkha soldiers marched in the British Embassy in Katmandu on Thursday to pressure their former employer for pensions equal to those of their British counterparts.

Nearly 15,000 former Gurkha soldiers and their relatives marched about two kilometers from the Nepalese Foreign Ministry to the embassy and blocked the building's entrance for an hour.

A protest letter was handed over to embassy officials.

Himal Rai of the Gurkha Ex-Servicemen's Organization said Gurkhas would begin a sit-in at the embassy on Aug. 17 that would last "until our demands are met."

The organization has rejected a

A Former Party Boss Is Charged in Beijing

BEIJING — A once-powerful Communist Party insider caught in China's largest graft scandal has been charged with corruption and dereliction of duty, a government official said Thursday.

The decision to indict the former Beijing party boss, Chen Xitong, signaled renewed official determination to press ahead with a five-year campaign against corruption that already has seen Mr. Chen's son and high-level politicians jailed.

Mr. Chen is the most senior party member to face prosecution in the campaign, which was launched by the party's leaders to defuse widespread public anger over rampant official graft. (AP)

Seoul Drums Out 3 Officers in Spy Affair

SEOUL — The Defense Ministry dismissed three navy and army commanders Thursday, holding them responsible for the alleged North Korean spy infiltration in the area in less than a month.

Three weeks ago, a midsize North Korean submarine was found entangled in a fishing net off the east coast. Nine bodies were found in the submarine, all shot to death in what military investigators described as a murder-suicide committed by senior officers to avoid capture.

At the United Nations truce village of Panmunjom, the UN command filed a formal protest Thursday with North Korea over the case, calling it a "grave" arms violation.

Lieutenant General Ri Chan Bok, the chief North Korean delegate to Panmunjom, "criticized the United States and South Korea for trying to brand the

MUNICIPALITY OF NAZARETH

Request for Proposals for the 2000 Millennium Celebrations Media Related Project and Associated Events for the Period of the Millennium in the city of Nazareth

- The Municipality of Nazareth hereby announces its desire to receive proposals from entrepreneurs to acquire a license to operate and manage in co-operation with the Municipality of Nazareth projects and associated events, media related and others, for the period preceding the 2000 Millennium in the city of Nazareth and the period afterwards.
- The principles of the project:
 - Events to be held in the city of Nazareth leading up to 31st December 1999 and afterwards.
 - Generating activity by means of various events in the city of Nazareth in different fields with the inclusion of various dignitaries, institutions and parties in order to create publicity for Nazareth, to enhance tourism in the city and to position the city as a desirable tourist attraction.
- Interested parties are required to describe their proposals in precise detail and to include amongst other information the following:
 - The scope and budget of the project.
 - The means of financing the project.
 - Their financial ability to operate the project.
 - The sum of the bank guarantee that they are able to provide to the Municipality to guarantee the realization of the project.
 - The amount to be paid in the Municipality.
- The Municipality has prepared an Information Sheet on this subject. If you are interested in receiving it, please send your request by fax to 972 6 6534502 stating your address and fax number to which we can send the Information Sheet.
- The final deadline for submitting proposals is the August 31st of 1998.

Proposals should be mailed to the Mayor of Nazareth, City Hall, P.O.B. 31, Nazareth 16100 Israel. Contact person - Mr. Amir Zuhbi:

Tel: 972 6 6459237 / 201 - Fax: 972 6 6554502

The Municipality is entitled to accept or reject any proposal as it deems right and is authorized to divide the license amongst entrepreneurs in its discretion and judgment. The Municipality also reserves the right to carry out negotiations with the interested parties.

Ramiz Jaraisy
Mayor of Nazareth

I KNOW THIS MUCH IS TRUE

By Wally Lamb. 901 pages. \$27.50. HarperCollins.

Reviewed by Mary Kay Zuravleff

WALLY LAMB'S new novel is a torrential, encyclopedic saga of a troubled family. The narrator, Dominick Birdsey, opens the floodgates on Oct. 12, 1990, the day his identical twin brother, Thomas, walks into the town library carrying their stepfather's knife. Praying aloud that his sacrifice will end the Gulf War crisis, Thomas cuts off his right hand as the terrified librarian

dials the emergency number from beneath her desk.

Thomas, a schizophrenic, after his public self-mutilation, the state wants to lock him up and throw away the key. But Dominick fights the system with reckless zeal, partly because he hasn't won a fight for some time. He and Thomas lost their mother to cancer, he lost his infant daughter to crib death, and now his destructive anger has also cost him his marriage. And he's the healthy one.

Although bunched from one egg, the boys straddle two decades: Thomas emerged on Dec. 31, 1949, Dominick six minutes later, in 1950.

In trying to discern the extent to which the twins really are identical, Lamb plumbs many notions of identity: linguistic (if your twin dies, are you still a twin?), philosophical (if you were replicated, would you be you?), ethical (could you stand on the shore if your sick/dangerous twin were drowning?), or even mystical (is your twin another you or your complement?).

The first hundred pages of this very good book are astonishing. Against Thomas's wishes, doctors want Dominick to decide whether the hand should be reattached; accompanying that drama are accounts of his previous breakdowns, the family television exploding one Saturday morning in 1960, Mamie Eisenhower being photographed with the 4-year-old twins in front of a nuclear sub, and a stepfather, Ray, whose absence is more comforting than his presence. Milquetoast is there throughout, and her final gift to Dominick is a handwritten memoir by his Sicilian grandfather and namesake, Domenico Tempesto, whom she worshipped.

Lamb covers vast territory here, adroitly leaping from one telling detail to another. Amid his poignant vignettes is a gut-punch of a paragraph that summarizes Dominick's conflict:

"When you're the same brother of a schizophrenic identical twin, the tricky thing about saving yourself is the blood it leaves on your hands — the little inconvenience of the look-alike corpse at your feet. And if you're into both survival of the fittest and being your brother's keeper — if you've promised your dying mother — then say so long to sleep and hello to the middle of the night."

Grab a book or a beer.

"Take it from a godless insomniac. Take it from the uncrazy twin — the guy who beat the biochemical rap."

Lamb's talent is such that he is able to describe Dominick's noble intentions alongside the resentment, embarrassment and fear that thwart those intentions. When the boys were growing up, Ray, who kept the household quaking with nervous tremors, claimed he was toughening the boys up and teaching them respect when he beat or berated them.

Dominick would rescue his brother, otherwise, he sacrificed him to Ray or some other bully. And so guilt adds rocket fuel to his burning desire to save Thomas.

Dominick finds allies in two humane social workers. One, Dr. Patel, records her sessions with Thomas and asks for Dominick's help in distinguishing between memory and delusion; his reaction to the tapes implies that he needs doctoring as well. Fatherless, brotherless, motherless, childless, Dominick feels the world has gone out of its way to destroy him. Dr. Patel points out how

similar that attitude is to Thomas's grandiose pronouncements.

The Indian-born Dr. Patel tells Dominick the Hindu legend of Bhagirat, who sought Shiva's help to reroute the Ganges from heaven to earth, so that his restless ancestors might be purified and he might find peace.

At the time, Dominick is knee-deep in drowned ancestors, many of whom were held under by his grandfather's own hand. Dr. Patel treats him to forge ahead: "The stream of memory may lead you to the river of understanding. And understanding, in turn, may be a tributary to the river of forgiveness."

This reader felt that the river flooded its banks here and there, and that the author would have better served us by stanching the flow. Dominick's memoir could have been excerpted, superabundant examples of Ray's untrusting pained, and the life cycle of a few characters neglected.

Most troubling was Lamb's crossing the line between recurring themes and repetitiveness. Having each generation re-enact the same themes detracts from the individuality Lamb so brilliantly crafts. That said, rivers flood sometimes, and it seems petty to tell such a talented storyteller to go no further or so deep.

Mary Kay Zuravleff, author of "Frequency of Souls," a novel, wrote this for The Washington Post.

BRIDGE

By Alan Truscott

CAN you name a player who has won national titles in six different decades? One answer, and perhaps the only one, is the queen of Californian bridge, Mary Jane Farrell, who owns 14 of them.

One title, with her regular partner, Marilyn Johnson, was the Life Master Pairs in 1978, the only victory ever in that event by two women. She now owns more master points than any other woman, is 11th on the all-time list, and is believed to have played in more tournaments than anyone else has ever done.

Farrell will be inducted into the Bridge Hall of Fame later this month in Chicago. She is

a Grand Master of the World Bridge Federation, thanks to victories in four events: the World Women's Pairs in 1970, the Venice Cup in 1978 and the World Women's Teams in 1980, all with Johnson, and the World Mixed Pairs in 1966. Her Mixed Pairs partner was the late Ivan Erdos, who once selected the diagrammed deal as an example of her skill.

North had the only distribution with which standard bidders regularly bid one diamond with a three-card suit. He raised the one-heart response and South bid game, a pushy action in view of the misfit in diamonds.

Farrell was East, and her partner led the spade king. She spotted an exception to the general rule: Dropping the

queen under a lead of the king shows either the jack or a singleton.

With the jack in the dummy the play of the queen could not be misleading, and it was out. Erdos continued with the ace and another to give the defense three tricks in a hurry.

If East had routinely played a low spade, West would have been in a quandary. A diamond shift would have appeared safe, but would have allowed South to take a finesse and dispose of two spade losers. A spade lead would follow and the declarer would be in control.

The defense would probably have prevailed after a club shift at the second trick and a low card from dummy. The easiest way would be for

East to win with the ace and revert to spades, but she would survive even if she played the jack.

The bidding:

North (D)	West	East	South
♠ J883	♠ AK2	♠ Q4	♠ 10982
♥ KQ75	♥ —	♥ J843	♥ 9763
♦ AQ4	♦ KJ10852	♦ —	♦ —
♣ Q8	♣ 10743	♣ —	♣ —

East and West were vulnerable.

North	East	South	West
10	Pass	10	Pass
20	Pass	40	Pass
Pass	Pass	Pass	Pass

West led the spade king.

Yeltsin, in a Flip-Flop, To Attend Rites for Czar

80 Years Later, Reburial in St. Petersburg

On Thursday at Pulkovo Airport,

Soviet leaders feared the place was becoming a magnet for monarchist op-



Russians thought the real reason lay elsewhere: the church could not deal with the memories of its own collusion with the Communists nor the fact that

Moscow and Yekaterinburg saw the possibilities of an instant additional tourist attraction.

"When France is strong, it can be

The car belonged to the wife of Per Haust, a senior Foreign Ministry official who led an international conference on handguns and light weapons in the Norwegian capital this week. There was no detonator with the explosive. (AFP)

Miss Niehuis contended that Bonn's failure to publish the report amounted to deception of the voters intended purely to save Mr. Kohl's election campaign.

MERITUS DISCOVER THE MERITUS

Meritus Negara Singapore

Meritus Westlake, Hanoi

Mandarin Singapore

Marina Mandarin Singapore

Hotel Istana, Kuala Lumpur

Penang Maritime Beach Resort

KNOW US. LOVE US. MERITUS

Hainan Mandarin, Haikou

Capital Hotel, Beijing

Marmaris Mandarin, Turkey 1999

Across our prestigious collection of fine city hotels
and luxurious tropical resorts, we're known and
loved for our warm Asian hospitality,
impeccable first class service and luxurious comfort.

Formerly SMI Hotels & Resorts, we're now
ready to welcome in a new era in hospitality as

Meritus Hotels & Resorts.

And we're ready to welcome you.

CORPORATE OFFICE: 333 Orchard Road, Singapore 238867 Tel: (65) 235 7700 Fax: (65) 235 6699
e-mail: hy@meritus-hotels.com REGIONAL SALES OFFICES: HONG KONG Tel: (852) 2735 3222
Fax: (852) 2735 2889 KUALA LUMPUR Tel: (603) 245 8823 Fax: (603) 245 8823 LONDON
Tel: (44) (71) 505 5212 Fax: (44) (71) 505 2104 LOS ANGELES Tel: (714) 220 0906 Fax: (714) 220 0884 SINGAPORE
Tel: (65) 235 6595 Fax: (65) 235 4586 TOKYO Tel: (81) 31 3905 1025 Fax: (81) 31 3905 1024
JOHANNESBURG (GSA) Tel: (27) 11 720 5274 Fax: (27) 11 463 1520

Pelangi Beach Resort, Langkawi

Bunau Bay Resort, Langkawi

Riviera Bay Resort, Alghero

INTERNATIONAL

As Attacks Escalate, White Farmers in South Africa Take Up Arms

By Suzanne Daley
New York Times Service

MOONOO, South Africa — Barely 15 minutes after Jeanne Pereira hit the panic button on her new radio system, she could see her neighbors' banged-up trucks tearing down the approach roads to her avocado farm here, leaving clouds of dust that would linger long after two bedraggled suspects had surrendered.

Laborers on the farm had spotted two black men, kneeling in the tall grass, surveying the main house from the orchard. "The response was so quick, it was very nice," said Mrs. Pereira.

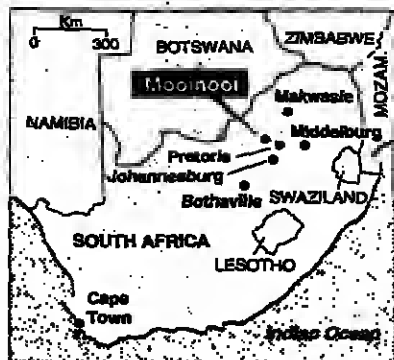
Within minutes of the capture, she had her maid handing out mugs of coffee to the farmers, who mingled casually in her yard, shotguns and automatic rifles hanging from their shoulders.

"I was so nervous when my workers said they saw there were two boys out here with guns," she said.

The farmers around here, like many elsewhere in the country, are numbering their farms on color-coded maps and setting up command posts in their basements where automatic weapons, helmets, gas masks and bulletproof vests are at the ready.

Attacks on white farmers have been mounting. In the last four years, nearly 500 farmers have been killed. Since January there have been 371 attacks on farms resulting in 75 deaths.

Some assaults have been particularly



NYT

brutal. In May, a 60-year-old farmer recovering from a hip replacement operation was tortured and had his throat slit; he died as he sat in his wheelchair. The intruders then waited an hour for his 52-year-old wife to get home; they raped and killed her, too.

The farmers may well be feeling the brunt of a crime wave that has swept across the country, leaving many South Africans living behind high fences and barred windows. But many farmers believe the attacks are more calculated: the work of black militants aiming at a group that remains among the most right-wing in the country.

The gang that assaulted the 60-year-old farmer, Donald de la Field, took nothing from the house but a revolver and left behind a note saying "Kill the

Boers," a phrase that was popular during the struggle against apartheid.

In March, men who attacked a farm outside Pretoria told a mixed-race woman who tried to protect her white husband that they killed only whites, not "coloreds," the South African term for those of mixed race.

In other incidents, including one outside Cape Town, the attackers reportedly claimed they were members of Umkhonto we Sizwe, or Spear of the Nation, the armed wing of the African National Congress when it was fighting apartheid.

South African police and army officials say they have no evidence that there is anything like a coordinated effort against the white farmers, but special investigators studying the attacks are supposed to report to President Nelson Mandela at the end of the month.

"So far our investigations have not revealed any orchestrated efforts," said Martin Aylward, a spokesman for the South African Police Service. "We think that farmers are just easy targets for criminals. They are in rural areas. They tend to have weapons that criminals want. They have some money. It's really in only a few instances that nothing has been taken."

But many farmers are not convinced. In Moonoo, a small town about 45 miles (70 kilometers) west of Pretoria, farmers shake their heads at all that has happened to the country since apartheid was abol-

ished. They say their very way of life is under attack, from the sprawling squatter camps that have sprung up nearby to the changes in the schools that may make it more difficult for their children to be taught in the Afrikaans language.

Most of South Africa's 50,000 commercial farmers are Afrikaners, the descendants of Dutch, German and French settlers who ruled the country for most of the century and were the authors of apartheid.

Farmers are among the most conservative South Africans. They fiercely opposed the transition to majority rule and are among the most vociferous supporters of efforts to establish a "homeland" in South Africa for Afrikaners.

"Some farmers say the assaults are an effort to push them off their land," Farm attacks are political," said Hannes Bezuidenhout, 45, who has had a flower farm in this area for 10 years and answered Mrs. Pereira's call. "They want the land. But even when they have land they don't use it."

Last year, the farmers demanded a meeting with Mr. Mandela, who responded by creating the Rural Safety Plan. Actually, it is a dusted-off apartheid-era idea: Training and arming civilians as army commandos ready to respond to the communist threat — only these days, the threat is crime. Most of the farmers who went to Mrs. Pereira's farm were part of the area commando force.

Farmers have always been heavily

armed. But now they are adding to their weapons as never before. The farmer-commandos receive a few weekends of training as army reservists and are each given an assault rifle. When they respond to an incident, the police do, too. But the police force is stretched thin in farm areas, trying to cover vast areas with few men or vehicles. The farmers often get there much sooner.

In theory, the commandos are to be supposed to catch the suspects, hold them and protect the area so that no one disturbs any evidence. In many cases, this has in fact happened. But in others, the suspects have ended up dead.

In the tiny town of Mankwago, in the northernmost province, eight people recently attacked a farmer when he opened his door to a knock. His wife was able to hit the panic button. The attackers ran off and a huge search party was sent out. Several hours later, five men were in custody and three were dead. One was shot in the head and one in the groin, according to the police. An investigation into whether the farmers murdered them is under way.

The South African Agricultural Union, which represents most of the country's commercial farmers, has been outspoken about suspicions that the farmers are being selected as targets. By their calculations, farmers are attacked four times as often as other South Africans.

"The possibility that farmers are special targets cannot be overlooked," said

Kobus Visser, the spokesman for the organization.

In some cases, Mr. Visser acknowledged, the attacks appeared to be related to past disputes over money or treatment. But in others, he said, no connection was found. In Middleburg recently, he said, the perpetrators waited four days for a farmer to come home, sleeping outside in the freezing weather. They could have broken into the house anytime, but instead they waited, he said.

The same occurred in Bothaville, where an ambush was laid for a farmer and his children. The attackers had apparently already gotten the keys to vehicles on the property and could have loaded up and left anytime. But they waited until the family came home at 6:30 P.M. and fired more than 19 shots at them. "If these are plain criminal acts, why like this?" asked Mr. Visser. "Waiting around, that is just not how criminals behave."

The two men caught on the Pereira farm said they were Mozambicans who had been working as miners nearby but had been laid off. They spoke no English or Afrikaans, but told police translators that they had been looking for work and were just trying to figure out how to approach the house to ask for jobs when they were surrounded.

Privately, the police officers said they believed this. The commandos, however, did not.

BRIEFLY

More Than 50 Die In Chechnya Fight

MOSCOW — More than 50 people have been killed in a battle between Chechen security forces and Islamist paramilitaries in Russia's breakaway republic, the Itar-Tass press agency reported Thursday.

Tass, which said its correspondent was unable to reach the scene of fierce fighting in Chechnya's second-largest town, Gudermes, did not say how many of the casualties belonged to which side.

The fighting broke out Wednesday when Chechen officials said their military garrison was attacked by Wahabist Islamic extremists. Wahabism is a conservative arm of Sunni Islam. (Reuters)

UN Experts to Test Iraqi Arms for VX

BAGHDAD — UN arms experts left Baghdad on Thursday with 80 samples of missile warheads that will be tested for traces of the deadly VX gas, a UN spokeswoman said.

Janet Sullivan said the samples were taken from a warehouse in the military camp of Taj, north of Baghdad, where the United Nations keeps parts of missiles it has retrieved from a disposal site.

The samples are to be taken to European laboratories for testing that should last a month. (AP)

Clinton to Extend Cuba Law Waiver

WASHINGTON — President Bill Clinton planned on Thursday to extend a waiver for another six months of a law that requires the United States to penalize foreign firms that invest in Cuba.

The White House spokesman, Michael McCurry, said Mr. Clinton was preparing to sign papers authorizing a renewal of the waiver of the Helms-Burton law.

The Helms-Burton law has been a source of great anger in Europe and elsewhere because it allows the United States to penalize foreign companies that invest in Cuban property seized after the 1959 Communist revolution. (Reuters)

New Prime Minister Nominated in Haiti

PORT-AU-PRINCE — In a move aimed at ending a long political crisis, President Rene Preval has nominated Education Minister Jacques Edouard Alexis to be the new Haitian prime minister, according to a leading lawmaker.

Mr. Preval said Wednesday in a meeting with the presidents of the Chamber of Deputies and Senate that Mr. Alexis was his nominee to replace Rosny Smarth, who resigned 14 months ago. (Reuters)

For the Record

Yemen accused Saudi Arabia on Thursday of attacking its territory and seizing its land and said San'a sought a just solution to their border dispute. The borders between Saudi Arabia and impoverished Yemen have been the focus of long-running feud. (Reuters)

DEATH NOTICE

John Frederick Christopher, Philip and John are sad to announce the death of their father.

John Bernard ROBINSON on Tuesday July 14th 1998

Memorial service will be held on Saturday, July 18th, at 10 a.m. at the American Church, 1 rue Alfred Vincent, Geneva.

1274 Chenevex, Vaud Switzerland.

In Rare Trip, Syria's Assad Visits France

Compiled by Our Staff From Dispatches

PARIS — President Hafez Assad of Syria arrived in France on Thursday for his first official Western visit in 22 years.

It is a trip that could mean a higher profile for Europe in the Middle East peace process and for Syria on the world stage.

Mr. Assad's visit aims to pull Syria out of its diplomatic and economic isolation.

The visit comes two months after Damascus began negotiations for an association accord with the European Union.

President Jacques Chirac met President Assad on his arrival Thursday afternoon at Orly Airport, where the two leaders marched down a red carpet to martial music.

Mr. Assad was due to meet Mr. Chirac again Friday. He will be honored with an official banquet at the Elysee Palace on Thursday. (AP, Reuters)

Netanyahu Hails Assad Visit

Prime Minister Benjamin Netanyahu of Israel called President Assad "a serious" on Thursday and hailed his visit to France. Reuters reported from Jerusalem.

"We think it's a good thing," he said.



President Chirac welcoming President Assad to France on Thursday.

U.S. to Punish Russians For Missile Aid to Iran

9 Groups Face Sanctions as Moscow Opens Probe

By Steven Erlanger
New York Times Service

WASHINGTON — The Clinton administration says it will impose trade sanctions on nine Russian companies and institutions that have been helping Iran, with missile development program.

The action came as the Russian government announced an investigation into the nine enterprises for violating new export control laws worked out in cooperation with the United States.

The trade sanctions would be the first imposed by the United States on Russian companies helping Iran, though American assistance to seven of the nine companies had already been suspended.

The Russian assistance to Iran was largely in the form of research grants and scientific partnership programs originally designed to keep former Soviet scientists working after the collapse of the Soviet Union and make sure they would not emigrate to help countries like Iran with weapons programs.

The Washington announcement was timed to head off a congressional effort to override President Bill Clinton's veto of a bill that would impose sanctions on any company believed — but not proven — to be aiding Iran's missile, nuclear or chemical weapons programs.

The House put off its vote on overriding the Clinton veto, which was scheduled for Wednesday. While the House is expected to vote to override, officials say they are working to sustain the veto in the Senate.

The bill, the Iran Missile Proliferation Sanctions Act, was passed overwhelmingly by both houses and would affect Russian and Chinese companies the hardest. It was strongly supported by the pro-Israel lobby, the American Israel Public Affairs Committee.

Mr. Clinton vetoed the bill for numerous reasons, officials say. First, they feared it would create a nationalist backlash in Russia and make it harder to win Moscow's cooperation on halting these exports.

Second, the bill calls for sanctions on the basis of "credible evidence," a low threshold of proof, and allows the president to waive the sanctions only for

reasons of national security, a high threshold for waiver.

James Rubin, the State Department spokesman, said, "The standard of evidence is far too low. We constantly see evidence that is credible but just turns out to be wrong. That's not a serious way to do business in the international community."

Another senior official said the main issue was the need for Russian and Chinese cooperation to stop dangerous exports.

"We can impose a few sanctions and show our outrage and feel better, but in reality, that's often symbolic," the official said. The real way you get to the heart of the problem is through the creation and effective enforcement of Russian controls, and you put that at risk with a confrontational sanctions route."

Vice President Al Gore, who is about to travel to Moscow, praised the Russian decision to investigate the companies as an "encouraging step forward."

The vice president has been frustrated by the Russian help to Iran, because he has also had to be responsive to Israeli concerns about the danger posed by the Iranian nuclear, chemical and missile programs.

"We will continue to work closely with the Russian government at every level to close off exports of dangerous, destabilizing weapons technology," he said. "This includes imposing trade restrictions and suspending U.S. government programs or assistance to entities under investigation."

The restrictions will include bans on exports and imports and financial transactions, the officials said, which are more sweeping penalties than those called for under the vetoed bill.

The bill calls for a ban on the export to Russian companies helping Iran's missile program of specific commodities on the American munitions list or the Commerce Department's list of items that can have military use.

Targets of the investigation were identified by the White House as the INOR scientific center, the Graft and Ploy research institutes, the Tikhomirov institute, Glavkosmos, the Komintern plant in Novosibirsk, the MOSO company, Baltic State Technical University and Europalace 2000.

Israeli Sold Out to Iran

Businessman Sentenced for Selling Gas Matériel

Compiled by Our Staff From Dispatches

TEL AVIV — An Israeli businessman was sentenced to 16 years in prison Thursday for selling poison gas equipment to Iran in a case of treason and intrigue that has gripped Israel.

The three-judge Tel Aviv District Court panel wrote in its sentence that the crime of Nahum Manbar, 52, was among the worst security offenses in the annals of Israeli criminal history.

The judges wrote, "How did the accused plunge to the lowest depths by selling raw materials for chemical warfare and the knowledge and equipment for the manufacture of nerve gas to a clear enemy state such as Iran?"

Judge Amnon Straschnov said the defendant, a former paratrooper, sacrificed Israeli security "on the altar of unfettered greed." He was convicted last month of aiding an enemy state, having supplied Iran with material for mustard and nerve gas and equipment to build munitions plants for chemical warfare.

At the close of presenting arguments Wednesday, Mr. Manbar presented himself as an Israeli patriot who had never intended to harm his country.

"Justice will come out," Mr. Manbar said before the sentencing. "It doesn't matter what happens today. Chemicals were not sold to Iran by me."

Prime Minister Benjamin Netanyahu praised the court's decision, saying:

"The court did the right thing. This was a very serious challenge to the national security. An Israeli citizen provided the matériel of death to an Iranian regime that is committed to our destruction."

Mrs. Francine Manbar, his wife, speaking to Israel Radio via telephone from her home in Switzerland, suggested that her husband was being used as a scapegoat to cover up Israeli sales to Iran that violated a U.S. arms embargo.

"I ask myself why my husband was the only one accused," she told the radio. "Israel wasn't selling only humus and pita bread to Iran."

Mr. Manbar's lawyer, Amnon Zichroni, who has alleged that presiding Judge Straschnov was improperly influenced by Mr. Netanyahu, said the defense would appeal to the Supreme Court to declare a mistrial.

Yossi Melman, a journalist who covers the intelligence services for the Ha'aretz daily newspaper, said Mr. Manbar started out selling defensive equipment, such as gas masks and gas detectors, to Iran with the knowledge of the Israeli defense establishment in the early 1990s.

But at some point Mr. Manbar allegedly began selling chemicals that can be used both in agriculture and in making poison gas, Mr. Melman said. Mr. Manbar was warned by Israeli intelligence in late 1993 to stop those sales, Mr. Melman added. (Reuters, AP)

NATO Backs Away From Kosovo Strike

Ethnic Albanian Buildup Is Cited in Argument Against Intervention

By Steven Lee Myers
New York Times Service

WASHINGTON — The already remote prospect of NATO military intervention in Kosovo has quickly faded as the Serbian crackdown there has let up and the rebels expand their campaign, Pentagon officials said.

A month after NATO warplanes staged a noisy show of force over neighboring Albania and Macedonia, the officials said Wednesday that the North Atlantic Treaty Organization had not ruled out the use of force to halt the growing civil war in the Yugoslav province. But they said that for now, the success of ethnic Albanian insurgents in the Kosovo Liberation Army had significantly undercut that possibility.

While NATO has drafted preliminary plans, including possible air strikes against Serbian forces in Kosovo, the officials said neither the United States nor NATO had any intention of helping the rebels in their campaign for independence from the Yugoslav government by bombing the Serbs.

"They need to know — and NATO has made this clear and the U.S. government has made this clear — that the cavalry is not coming," a Defense Department official said.

The officials said they remained worried that the fighting could spread to neighboring countries, an event that would almost certainly draw in NATO, but that those fears had diminished since the Serbs have eased their crackdown.

Other officials in Washington and at NATO's headquarters in Brussels said Wednesday that NATO's military planning had virtually ground to a halt and that the United States and its allies had focused their attention on diplomatic efforts to end the fighting. The officials emphasized, though, that NATO could still launch a strike against the Serbs on very short notice. "The emphasis is very much on the political side," a Western diplomat said.

Another meeting of the Contact Group of countries monitoring the fighting — the United States, Russia, Germany, Italy, Britain and France — is to take place in London on Tuesday. President

Bill Clinton's senior national security aides met at the White House on Wednesday evening to discuss the situation.

In recent weeks, the United States and its allies have become frustrated by the rebels' apparent unwillingness to consider a peaceful resolution. Compounding the frustration is the confusion over who, if anyone, can speak for the loosely organized rebels.

"We actually are having a hard time in our community understanding exactly who is in charge — who is in charge of the military, who is in charge of the politics," an intelligence official at the Pentagon said Wednesday, referring to the intelligence community.

The Serbian crackdown has eased since NATO's air exercise June 15, in which more than 80 aircraft coursed across the skies over Albania and Macedonia. Although largely symbolic, the exercise showed NATO could quickly assemble air power in the Balkans.

A day later, President Slobodan Milosevic of Yugoslavia met with President Boris Yeltsin of Russia and pledged to halt the bloodshed.

"Over the past two to three weeks, we've seen a definite leveling off and perhaps even drop in offensive-type of operations on the part of the Serbs," one of the U.S. officials said.

That raised hopes that a political solution was still possible, but those hopes have dimmed because of the rebels, who are vowing to establish an independent state of Kosovo, whose 2 million people are overwhelmingly ethnic Albanians.

The Kosovo Liberation Army, once a couple of hundred irregulars, has grown in size and strength since Mr. Milosevic ordered his crackdown.

Still, the officials said, it is unable to wage a sustained military campaign against the better-trained and equipped Serbs. The rebels control their land, these officials said, because the Serbian forces have not pursued them.

While reports have suggested that 50,000 Serbs have taken part in the fighting, intelligence reports indicate that only 10,000 soldiers from the Yugoslav National Army are involved, along with a smaller number of special police units, the officials said. The rebels, by contrast, have only 2,000 soldiers, although they can rely on the support of "tens of thousands" of armed supporters in Kosovo.

Serb Police Break Up Opening Of a Parliament in Kosovo

Compiled by Our Staff From Dispatches

PRISTINA, Yugoslavia — Ethnic Albanian political parties inaugurated their first Parliament in Kosovo on Thursday, surprising Serbian policemen, who arrived minutes too late to thwart the opening of the session.

About 90 deputies attended the meeting in Pristina, led by the Kosovo Albanian "president," Ibrahim Rugova. They had already elected a speaker and sworn an oath of allegiance when the police entered.

About 20 uniformed policemen with AK-47 assault rifles then took up guard in their open vehicles outside while a dozen plainclothes officers entered the building and removed documents.

The atmosphere was tense, but the action ended with no arrests. An American diplomat from the embassy in Belgrade, Nicholas Hill, witnessed the raid, but U.S. officials had comment.

"The police were not brutal, but they were very tough," said Nekibe Kelmendi, secretary of Mr. Rugova's Democratic League of Kosovo, the dominant ethnic party in the Albanian majority province. "We were given two minutes to pack up the papers."

A burst of applause from supporters greeted him as he emerged later from his party's headquarters.

There was no immediate statement from Serbian authorities, who have been battling Albanian separatists.

Neither Belgrade nor any other capital recognizes Mr. Rugova's parliament. While major powers continue to view Mr. Rugova as the moderate voice of ethnic Albanian aspirations, they acknowledged that his authority has been weakened by the emergence of the Kosovo Liberation Army.

An earlier effort to open a parliament was also blocked. (Reuters, AP)

EDITORIALS/OPINION

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Don't Call It Journalism

For some time now, especially as media giants devour other media giants, synergy has taken on the elusive shimmer of a corporate goal. The idea has always been that various divisions of Viacom, or AT&T/TCI or News Corp. would work together to promote one another's "product." An article from the magazine wing creates the book for the publishing arm, which then segues into the movie that launches the toy soldiers that — sold altogether by one big mother company — make a ton of money for the happy stockholders.

Such all-purpose, multilayered marketing of one idea or story or superstar works for Disney's "Lion King" or the keepers of Leonardo DiCaprio. But so far there is not much evidence that synergy has been particularly good for an old-fashioned activity known as journalism.

A synergy collision last winter singled CBS News when reporters were spotted wearing the Nike "swoosh" at the Olympics, the unfortunate outgrowth of a lucrative financial deal between CBS Sports and Nike.

At about the same time, a CBS investigator was facing delays in his article on Nike's labor practices. Although CBS argued that the two matters were unrelated, one media ethicist noted: "What next? White House and Capitol Hill reporters wearing Archer Daniels Midland lapel pins?"

More recently, Time Warner stretched an underreported piece on nerve gas from CNN to Time magazine — proving that synergy can also allow several divisions to share one company's embarrassment.

What has reignited corporate hopes about communal creativity is the announcement of a Hollywood "media venture" being created by Tina Brown. Now set to hand the editorship of The New Yorker over to a respected journalist, David Remnick, Ms. Brown will soon enter Disney's huge kingdom to create a kind of movie magazine. Its exact nature is a bit unclear, but Ms. Brown says she is planning something that will churn out movie and television ideas for her showbiz bosses.

She is capable of making this project a popular success, of course, but for the writers and news consumers this deal has "wait and see" written all over it. How easy it would be to shed a little of the complexity or truth to make a story into a better television sitcom. How tempting it might become to trim any criticism of a superstar being promoted

elsewhere on the Disney family estate.

As the media change, however, the basic rules and purpose of journalism do not. Fiction does not fly. News and advertising should be kept as separate as possible. A news consumer deserves to know about conflicts of interest.

And, most important, journalism's highest purpose is to try to inform the public, more than feed the shareholders or entertain its huge audience.

All journalistic enterprises face a difficult challenge in applying the traditional standards of the profession to the exploding world of electronic communication, where commerce and journalism intersect in new ways. Readers of The New York Times' electronic edition, for example, can read a book review, then activate a link to Barnes & Noble and order that book or some other. The same principles that have long insulated news coverage from advertiser interests can and should be applied in these new arenas to preserve the integrity of journalism, in this case the independence of the book review and of news coverage of book sellers.

As Bill Kovach, curator of the Nieman Foundation, points out, the kind of synergy Ms. Brown has described cannot accurately be referred to as journalism because it perverts the raison d'être and intellectual process of news gathering. In mainstream journalism, the news article exists to provide information to the reader or viewer. In the upside-down world of Hollywood news, the story is created as the first step in the development of product for movies, a form that traditionally relies more on fiction than facts.

Veterans of the synergy wars say it is already at work "accidentally," which is to say with a kind of natural rather than managed momentum. A good book or magazine article can sometimes evolve into a good movie. More often, it seems, a good book turns into a lousy movie, and, almost always, a good movie turns into a lousier book. Now a new element is being introduced, an adaptation of the forms of fact-based journalism to an industry where nothing, including the truth, is allowed to stand in the way of box office.

When something that looks like journalism is manipulated in a corporate laboratory, how long will it take before customers begin to take synergy not with creativity but with simple greed and the vertical integration of news and entertainment organizations with mediocre and even unreliable reporting?

—THE NEW YORK TIMES

It Will Take Force to Stop the Fighting in Kosovo

By Flora Lewis

TUZLA, Bosnia-Herzegovina — The fighting has stopped in Bosnia; 300,000 troops have been demobilized. People are starting, rather slowly and cautiously, to rebuild their homes. But the region is a long way from safe sailing away from its storms of violence.

Kosovo, as long predicted, brings a new threat of general war. It is even more complicated and difficult to unravel than Bosnia was, but there are similarities, including the nervous, indecisive reaction of outside powers.

Britain, France, Germany, Italy, the United States and Russia agree that they must take responsibility and cannot afford a repetition of the nearly five years of bloodshed they witnessed in Bosnia. They do not want to use force, except in harmless displays such as the recent air show over Albania and Macedonia. They are dithering in hope of finding a political compromise that is growing more and more elusive.

The Western powers recognize that if the level of fighting in Serbia's ethnic Albanian province of Kosovo becomes intolerable, they will have to act. But their reluctance serves as an incentive to the rebels to escalate hostilities.

There is a consensus that the blame lies essentially with Serbia's leader, Slobodan Milosevic, and the intense

repression of Kosovars that he has sponsored for nearly 10 years now, but not on how to deal with him.

Bosnia somehow is supposed to provide lessons on how to do better. There is a tendency for diplomats and NATO officials to cite Bosnia as a great success, proof that when they get involved, they can impose a solution.

But Ambassador Jacques Klein, the U.S. deputy to the high representative of the outside powers, after listing all the achievements, admitted to a conference in Tuzla that "we have not yet built a peace that we can say with confidence will survive our departure."

The conference on "Southeastern Europe" ("Balkans" is a distasteful word that countries of the region shun) was organized by the Aspen Institute in Berlin, the Council of Europe, the European Cultural Foundation and the King Baudouin Foundation to get people talking across the new borders and develop habits of cooperation.

It produced lots of technical ideas, such as federating nongovernmental organizations or rewriting history textbooks, and it was useful for people to make contact with each other.

But even the idea of some kind of institution for regional cooperation provoked fears of an attempt to reestablish the defunct Yugoslavia that, it was said, only a firmly established European context could contain. And the European Union is not about to embrace these unhappy states.

So there will continue to be a Balkan problem for quite a time. In the meantime, there is an acute Kosovo crisis.

There was a good deal of complaint among participants that the U.S. special envoy, Richard Holbrooke, who pushed through the Dayton agreement ending the Bosnian war, has undermined a solution for Kosovo.

He arranged a meeting between Mr. Milosevic and the Kosovar political leader Ibrahim Rugova. It produced nothing positive and strengthened the critics who say that Mr. Rugova's rejection of violence can get nowhere.

They want to fight, and they are getting a stream of weapons from Albania, where civilians stole at least 650,000 arms and millions of rounds of ammunition from army stocks when the country collapsed in chaos.

But who are "they"? There is a group called the Kosovo Liberation Army, but Mr. Holbrooke complains that he cannot find the effective lead-

ers. Nobody is sure who is in charge. There is a mixture of gangs, some mujahadin infiltrating from Arab lands, local chiefs and political militants.

The Serbian army and police have overwhelming force, but if they use it the result would be worse than Bosnia.

Nobody speaks any longer of the "red line" that then President George Bush drew against Serbian violence in Kosovo, yet it exists in an ambiguous way. How many have to die, for the powers to conclude that they must use their greater force?

There is no answer yet. Meanwhile, the hope for political change in Serbia has faded away. The opposition, which mounted an amazing series of demonstrations in the winter of 1996-97, has evaporated. Mr. Milosevic, who outwitted it with canny patience, is using the Kosovo crisis for a harsh new crackdown on Serbian universities and what remains of independent media. He is not a man to be bluffed.

It is painful to relive the self-deluding Bosnia scenario in which the belligerents just need to talk to make peace. There is no easy way out. Mr. Milosevic started it. He must pull back or be shoved back by outside armies. Waiting for "reason" prolongs the tragedy.

Flora Lewis

Yes to Autonomy for Kosovo, but Internationally Administered

By Shlomo Avineri

JERUSALEM — Outrage at Serbian brutality in Kosovo is universal. But reluctance to use force against Slobodan Milosevic's army is understandable, especially as it is clear that Russia would veto any UN Security Council resolution mandating it.

There is also reluctance to support the claim of Kosovo's ethnic Albanians to independence. Changing international boundaries in the Balkans would seem to amount to opening a Pandora's box.

The mantra we hear is "restoring the province's autonomous status" within Serbia and thus maintaining the integrity of rump Yugoslavia's international frontiers.

But this is a hollow formula. Whatever Kosovo's autonomous status meant in Tito's multinational federal Yugoslavia, it has no meaning in the present circumstances.

How can one envisage an autonomous Kosovo within

the autocratic, Serbian-dominated Milosevic regime?

In Belgrade the regime controls the police, the army and the special forces. It has a virtual monopoly of the mass media, especially television. It manipulates elections. Opposition parties are equally manipulated by a combination of intimidation, bribery, thuggery and forcible cooptation.

Mr. Milosevic is a master of survival. Look how the opposition's victory in municipal elections two years ago was turned around. What seemed to be a democratic spring has now totally fizzled out.

Can one imagine that in such a nondemocratic environment a truly autonomous regime for Kosovo would be possible, with free elections, a free press, equal access to television and the control of the police? Who will control the special units now laying waste to ethnic Al-

banian villages and forcing their inhabitants into exile?

Autonomy for Kosovo in a nondemocratic Serbia is an oxymoron. It is meaningless.

Yet autonomy, and not outright independence, may be the way out of the present circle of violence, if it is so crafted as to protect Kosovars from Serbian brutality while they still remain within Yugoslavia. The solution is to structure autonomy so that it would be administered in effect through an international presence.

Such a presence — which should have the necessary clout to be effective — would be based on a multinational force formed by the members of the Contact Group, including Russia. It would supervise elections, guarantee freedom of the press and free access to television, enable political parties to organize freely, and have responsibility for law and order.

That is not what Kosovars want. It is obviously a compromise. But both sides could present it as a victory.

Ethnic Albanians would be protected by the international community. Serbia would be spared military confrontation with NATO or a UN-mandated force. Sanctions would be lifted, and Kosovo would still remain part of Serbia.

All this would leave the ultimate status of Kosovo in limbo. But the present situation is not yet ripe for final-status negotiations. And this solution would stop the fighting.

The stopgap measure achieved recently by Richard Holbrooke, providing for international observers, is a step in the right direction.

There is no reason to imagine that Russia would object. It would be part of the supervising international presence.

International lawyers might not like such an arrangement, as it leaves the issue of sov-

ereignty fuzzy. But that is its main merit. The status of the Republica Srpska under Dayton and that of the Palestinian Authority under Oslo are also ambivalent. There are times when ambivalence is the only win-win strategy.

If such a solution is not found now, deterioration and brutality will eventually lead, as in Bosnia, to a much deeper outside involvement and the danger of escalation.

Autonomy for Kosovo now, internationally administered, can prevent further destabilization. And when Serbia undergoes a democratic transformation, the day may come for addressing the final status of Kosovo in a calmer climate.

The writer, a professor at the Hebrew University of Jerusalem, is a former director-general of Israel's Ministry of Foreign Affairs. He contributed this comment to the International Herald Tribune.

Keep the Libya Embargo

A flurry of political clues suggests that the United Nations air embargo on Libya is starting to succumb to a kind of sanctions fatigue in which the memory of the original provocation fades and the benefits expected of normalization come to take on a rosy hue. This should not be allowed to happen by any government decently interested in the rule of law and the safety of the skies.

The embargo was imposed not out of any random pique at Libyan strongman Moammar Gadhafi but as a result of intelligence findings that two Libyan intelligence agents had bombed Pan Am Flight 103 over Scotland in 1988, killing 270 people in the air and on the ground. The limited and targeted response at the United Nations was to deprive Libya of international civilian air transport until it allowed justice to be done to the two Libyan suspects. The victims' families, the British and the United Nations agreed with the United States that this requirement had best be met by a trial in American or British courts.

Since then, Colonel Gadhafi, co-tenting that the Americans and British could not mount a fair trial, has offered

a succession of wispy, changeable and, to some inattentive listeners, plausible-sounding proposals for a trial somewhere else. Firmly and rightly, successive presidents have said "no."

It is absurd at face for the Libyan dictator to set himself up as the arbiter of international justice. A series of trials of Muslim terrorists in American courts has amply demonstrated the quality of American justice.

More recently, he has extended his efforts to break Libya's air transport isolation by attracting high-profile foreign visits or favorable regional political resolutions whose effect is to weaken the UN air embargo. The Italian government, while still respecting the embargo, unhelpfully chose this moment for an agreement to resume normal neighborly ties with its former colony.

It is a long time since Libya bombed an innocent aircraft out of the skies over Lockerbie. The point of an air embargo may have dulled in some sectors of public and official opinion. But a gangster act of terrorism was committed, and the pursuit of its perpetrators must go on.

—THE WASHINGTON POST

Other Comment

Good Sense in the Duma?

President Boris Yeltsin has appealed to the patriotism and good sense of Russia's parliamentarians to gain their support for more than a score of proposals to reform a scandalously inefficient tax system, slash the government deficit and arrest a growing financial crisis.

Failure of the Communist-dominated Duma to give Mr. Yeltsin what he seeks could imperil the extraordinary international loan package agreed to this week under strong urging from

the United States. A key need is to prevent devaluation of the ruble, which would set off a fresh round of inflation, propel millions more Russians into poverty and almost certainly ignite a new political crisis.

A commitment to reform by the Duma would raise foreign investors' confidence, strengthen the ruble and give the government a chance to restructure its enormously costly debt. What the international lenders ask is, in fact, what Russia in its own interests should have begun doing long ago.

—Los Angeles Times

An Open Global Economy Needs Growth in East Asia

By Fareed Zakaria

NEW YORK — The fire raging in East Asia today jeopardizes one of the central achievements of postwar American foreign policy — the stabilization and growth of East Asia. Even more dangerously, if it continues to fester, this crisis could undermine support for an open global economy and economic and political liberalization across the world.

The facts are bleak. In the last two years Indonesia's economy has shrunk by almost 80 percent, Thailand's by 50 percent, South Korea's by 45 percent, Malaysia's by 25 percent. Currencies and stock markets have plunged to unimaginable lows; unemployment and poverty are climbing to new highs.

The Clinton administration and the IMF had an initial strategy to deal with what began as a financial crisis in Thailand in June 1997. They assumed that it would be temporary and localized, and that the IMF would restore stability. All three assumptions have been proved wrong.

The IMF's prescriptions have not worked; currencies and stock markets continue to fall. The panic is now a depression and has spread beyond East Asia. Markets as large as Russia and Australia and as distant as Mexico and South Africa have been battered.

The prosperity and stability of East Asia are extraordinary achievements. Thirty years ago, most of these countries seemed stuck in the poverty that afflicted the Third World, and the region was the most troubled part of the globe.

In Indonesia, more than 300,000 people had died in mob riots after a failed Communist-backed military coup in 1965. Malaysia, in civil war from 1948, lifted its state of emergency only in 1960. China, Taiwan and the Koreans had all been through grueling conflicts in the late 1940s and 1950s. The Vietnam War was still in full fury.

A generation later, most of these nations had dramatically raised their living standards, substantially alleviating poverty and disease. Taiwan, South Korea and Malaysia, had begun liberalizing their politics as well. It was the fastest move out of misery in history.

The success of the region owes much to the hard work of its people but also to American foreign policy. The United States fought two wars after 1945 to maintain stability in East Asia. It advocated economic and foreign policies that were adopted in much of the region.

Compared with countries such as Brazil, Egypt and India — whose protectionism and central planning were cheered on by socialist governments and left-wing economists — East Asian regimes adopted policies that were broadly hospitable to free markets and free trade.

They opened themselves up to foreign investment and multinational corporations and let the private sector flourish. Throughout the Cold War they were consistently anti-Soviet, banding together to form the Association of South East Asian Nations, practically the only pro-American regional grouping in the world outside of NATO. For these policies they became the pariahs of the Third World, often branded as American stooges.

In fact, the growth and stability of East Asia have been a central achievement of American foreign policy in the postwar era, a living refutation of once fashionable theories about American neo-imperialism. Third World dependence and the necessity for socialism in poor countries.

All this is at risk today.

If East Asia does not begin to recover soon, the dangers to its own well-being are obvious, but those to regional stability and American interests are also great. South Korea's growing weakness makes that peninsula even more unstable than it already was. Indonesia, a geographic absurdity comprising 2,000 islands and 1,100 dialects, could easily lapse into violence and begin splintering.

The sudden shift in the balance of power away from Japan and toward China will not serve regional peace or American interests. Japan remains the second-largest economy in the world and a liberal democratic partner of America. Its decision to stay a non-nuclear and largely nonmilitary power is a cornerstone of East Asian stability.

China, on the other hand, is a rising power in the midst of transforming its entire political and economic system, ruled by a regime seeking legitimacy. Great power transitions are never easy, but it is better when they happen slowly, surely and, in any event, not in an atmosphere of general crisis.

Most dangerously, the continued unraveling of East Asia's economies could derail economic and political liberalization across the globe. East Asia's governments have already tried to quell unrest

by sounding more populist and protectionist. Labor unions and opposition figures in South Korea, Thailand and Indonesia have begun demanding an end to the IMF-forced liberalization.

Beyond East Asia, one can also see people drawing the wrong lessons in India, Egypt and Mexico, where intellectuals and politicians have begun to point to East Asia's fate as the reason not to move toward free markets and free trade.

Support for liberalization has always been weak in most of the Third World. But when a country is growing at 8 percent a year, the opposition to reform is effectively silenced. When it is growing at 0.8 percent, as Malaysia will probably do this year, opponents are emboldened and their arguments gain currency.

If the world appears to be divided once again between rich Western nations and poor non-Western ones, these fires of resentment will only grow.

What is to be done? The IMF's initial approach to this crisis was misguided in two vital areas — its requirements for low government spending and large-scale domestic reform. It treated East Asian countries as if they had the usual developing country disease — out-of-control budgets. In fact, most were running budget surpluses, and had high savings rates and little inflation. In this context, an insistence on a tight fiscal policy was unnecessary and probably counterproductive.

On the other hand, the Fund's insistence on tight monetary policy — high interest rates — is an understandable compromise between those who advocate even stronger methods of maintaining the value of currency (linking it inflexibly to the dollar) and those who want deflation. Given the huge devaluations that have taken place across the region, some measures to restore confidence in East Asian currencies are not just appropriate, they are vital.

The requirements for domestic reform, especially of the financial sector, are based on impeccable economic logic. East Asia's economies do indeed practice a form of "crony capitalism" with under-regulated banks and much nepotism.

But as a political matter, was this the time to attempt a radical overhaul? Many countries have major inefficiencies in their systems. Were the IMF to focus its gaze on, say, France and Germany, let alone Brazil, it

would surely find extravagant subsidies, cartels and other market-distorting mechanisms.

The IMF's reform requirements have undermined the legitimacy and support of East Asia's governments at a time of acute crisis. If the situation does not improve, we may well see five or six major countries — including South Korea, which is an OECD member — default on their foreign debts and impose capital controls on their currency. Say good-bye to globalization.

Mexico recovered after its financial crisis of 1994 because, of that great sucking sound to the north — the U.S. economy — hugging Mexican goods. East Asia's economies can grow their way out of their current misery only if Japan similarly fuels their export expansion.

With Tokyo's economy declining by about 3 percent this year, this seems unlikely. But the Japanese can solve this problem by spending and investing some of the vast sums they have, both in public and private hands.

But more than any specific economic policy, the Clinton administration must fashion an overall political and economic strategy for East Asia. The people of these countries need to be given the sense that economic and political liberalization has not caused their problems, that they are not being abandoned, and that the West — in particular the United States — is ready to help.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1898: Catalonia Party

MADRID — There has appeared in powerful Catalonia, the golden province of Spain, a strong Separatist party, which disclaims the misrule of Spanish government, and has as the base of its programme semi-independence under the protection of France. The programme of the agitators is so unprecedented, and the influence of the members of the organization so great, that the Government seems at a loss as to how to grapple with this new trouble.

1923: No to Socialism

LONDON — Mr. Philip Snowden's resolution in favor of Socialism was defeated in the House of Commons. "I am determined to resist any system under which the whole field of industrial and commercial activity is publicly owned and controlled to the exclusion of

individual initiative," said Mr. Lloyd George. "If we are to prevent the workers from rushing into experiments which would prove disastrous, it is essential that the House of Commons should redress the obvious evils of the present system."

1948: Civil Rights

CHARLESTON, S.C. — South Carolina's Democratic party was ordered to permit Negroes to join. Judge Waring issued a preliminary injunction opening the registration books of the traditionally white party to Negroes. The Negroes charged the Democrats with discrimination in setting up two separate rules for primary voting and by drawing up "an unreasonable oath." The oath requires a pledge favoring social and educational segregation, opposition to the civil rights program and opposition to the fair employment practices code.

Herald Tribune
ESTABLISHED 1867
KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER
Co-Chairmen of the Board

PETER C. GOLDMARK JR., Chairman and Chief Executive Officer
RICHARD WOOLDRIDGE, President and Chief Operating Officer
MICHAEL GETLER, Executive Editor

• WALTER WELLS, Managing Editor • PAUL HORVITZ, Deputy Managing Editor
• KATHERINE KNORR and CHARLES MITCHELLMORE, Deputy Editors • SAMUEL ABT and CARL GEWIRTZ, Associate Editors • ROBERT J. DONAHUE, Editor of the Editorial Pages
• JONATHAN GAGE, Business and Finance Editor

• RENÉ BONDY, Senior Vice President and Chief Financial Officer
• DIDIER BRUN, Circulation and Development Director
• STEPHEN DUNBAR-JOHNSON, Advertising Director
Directeur de la Publication: Peter C. Goldmark Jr.

International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France.
Tel: (1) 41-43-93.00. Fax: Subscriptions, (1) 41-43-92.12. Advertising, (1) 41-43-93.38.
Internet address: <http://www.ihb.com> E-Mail: ihb@ihb.com

Editor for Asia, Michael Richardson, 5 Convent Road, Singapore 11000 Tel: (65) 472-7708 Fax: (65) 274-2234
Mng. Dir. Asia, Terry Danner, #101, 191 Joo Road, Hong Kong Tel: 852-2622-1198 Fax: 852-2622-1199
Gen. Mng. Germany, T. Schuler, Friedrichstr. 15, 10223 Frankfurt/M. Tel: +49 69 97129-0 Fax: +49 69 97129-30
Pres. U.S.: Ann Blahnik, 180 Third Ave., New York, N.Y. 10038 Tel: (212) 755-3800 Fax: (212) 755-4088
U.S. Advertising Office: 65 Long Ave., London W.C2 Tel: (171) 836-8802 Fax: (171) 240-2254
42.5, un capital de 1 200 000 F, RCS Nanterre B 73202126. Commission Paritaire No. 61337
©1998, International Herald Tribune. All rights reserved. ISSN: 0244-0917

OPINION/LETTERS

Working to Unfreeze 'China Connection' Probe

By William Safire

WASHINGTON — Attorney General Janet Reno told the Senate Judiciary Committee's Arlen Specter on Wednesday that she was prepared to take — and in reality evade — his questions about Chinese penetration of the White House "until hell freezes over."

That was an apt metaphor for an investigation long encased in ice.

Twenty-one months ago, journalists discovered evidence of financial corruption in the 1996 political campaign led by a band of Asian-Americans close to Clinton-Gore who were fronting for illegal overseas money.

But even after the FBI reported a connection to Beijing intelligence, the Reno

Justice Department hid its head in the sand.

First the investigation was assigned to "Public Integrity," incompetents. After newspapers dug up facts unknown to her timeservers, Ms. Reno again avoided independent counsel by appointing a supposedly hotshot San Diego prosecutor — who indicted small fry identified earlier in press reports but then hastily bailed out as the trail led into the White House.

This week the New York Times reporters Don Van Natta Jr. and David Johnston revealed that the revolving-door Justice team was now disheartened and floundering.

A Times editorial nailed down the reason: "If you want to prevent a ship from reaching its destination, just keep changing the navigators."

Confronted with this, the attorney general snarled: "One newspaper editorial should not dictate public policy."

But this investigation was initiated by "leaks" in print from journalism to Justice, not the other way around. And the need to take it out of the hands of a deeply conflicted Justice Department, it turns out, is supported by the man best in a position to know: FBI Director Louis Freeh.

Mr. Freeh has been worried all along that secret intelli-

gence gathered by the Federal Bureau of Investigation and the National Security Agency would make its way back to the top White House policy-makers close to the Chinese operatives and most interested in shutting down the investigation.

In November of last year, this former federal judge sent a 27-page legal memo to Ms. Reno urging her to seek independent counsel that could safely work with the FBI.

Ms. Reno has that report in her deep freeze. Mr. Freeh will not make public his disagreement with her cover-up. But on June 19, the FBI general counsel briefed Senators Fred Thompson and John Glenn in detail on the contents of Mr. Freeh's dissent.

"It is difficult," the FBI counsel reported Mr. Freeh to have written, "to imagine a more compelling situation for appointing an independent counsel... It's a conflict for the attorney general to investigate her superiors."

Did the law require Ms. Reno to have an actual conflict, as she had told the Senate, and not merely the appearance of one?

Not true, according to Mr. Freeh; such a Justice Department proposal was specifically rejected by a then-Democratic Congress as recently as 1994.

"The Attorney General can consider appearance," wrote the FBI director, "as well as actual conflict, might weaken public confidence."

Senator Thompson reported that the ultimate conclusion by Mr. Freeh was that the independent counsel law, which arose from Watergate and was closely tied to campaign finance law, "should be triggered under both the mandatory and discretionary provisions of the statute."

The discretionary part is inescapable, Mr. Freeh pointed out, because "the attorney general's chief investigator has concluded that there is a political conflict of interest."

To these revelations of direct opposition from the FBI to her unlawful misjudgment, Ms. Reno took refuge in her power to impose secrecy: "Our understanding was that the briefing was confidential."

Senator Thompson disagreed. Though Mr. Freeh's detailed opinion was hers to suppress, "as far as the oral part was concerned, we were under no restraints."

At a time when we journalists are agonizingly examining our own sources and methods, we do well to remember that this fund-raising corruption affecting U.S. national security was unearthed by responsible reporters and is driven by fearless editorialists. Clinton Justice would rather await subzero in Hades.

At a recent embassy reception, I ran into Louis Freeh. The only thing he would say was, "You guys led the way."

The New York Times

When It Comes to the Code War, Even the Dataless Get Drafted

By Richard Powers

URBANA, Illinois — The Cold War may be history, but the Code War is only now beginning to heat up.

As more Americans do business on-line, Internet commerce has created new worries about the security of personal information. Many consider encryption — the technology used to encode information and keep it private — to be the solution. As the networked world wires together our newly

eliminating datum that can and will be held against you.

Recently I bought a house, my first. I paid cash, as I have for everything I have ever bought. I have never taken out a loan or owned a credit card.

In part, I am the product of parents who did not believe in debt.

But I also vowed 20 years ago — 21-year-olds are capable of endless naivete — to leave as little of myself hostage to digital fortune as possible. Privacy might be a vanishing illusion, but back then one could still keep the public record to a minimum.

A problem arose when I tried to get a phone line for my new home, however. When I called the local phone company, a voice on the computerized menu system indicated that my call might be recorded, to serve me better.

A cheery operator took my order and entered all my numbers into the proper fields on his screen. Then cheer vanished in the face of the available data.

He explained that my credit history showed a small problem.

Impossible, I assured him. I've never used credit in my life. That, he informed me, was the problem. My lack of a borrowing record all but proved that I was not worth the risk.

Several faxes of once-personal documents, all transmitted over uncracked lines, at last convinced the central computer of my phone-worthiness, and I succeeded in opening up yet another score of searchable records on my existence. I agreed to pay \$2 a month to keep my number unlisted, knowing full well that any self-respecting 13-year-old could pull it up in minutes from one of several dozen easily cracked servers.

Kafka, it struck me, was strictly minor league. Even the attempt to remain anonymous now reveals more about a life than any life can possibly hide.

The rise of systematic record-keeping itself created the idea of a right to privacy. The technologies of writing, print, telephony, telephony and tape brought it into being. Now new technologies, more fungible, leveraged and ubiquitous, are busy rendering the idea quaint.

So now we fight the battle of encryption, a war over who gets access to what data about whom. Years will pass before society will reach any meaningful consensus. But the larger war for a life lived off the record is already lost.

The writer is the author, most recently, of "Goin'": a novel. He contributed this comment to The New York Times.

Mrs. Cosby Opens a Real Dialogue on Race

By Richard Cohen

WASHINGTON — It took Camille Cosby to do what Bill Clinton could not. With one article in USA Today, the wife of Bill Cosby and the mother of the slain Ennis Cosby opened a real dialogue on race.

"I believe America taught our son's killer to hate African-Americans," she wrote. I believe she has good reason to think that. But I also believe she is wrong.

Her son's killer, Mikhail Markhashev, is an emigrant from Ukraine. "Presumably, Markhashev did not learn to hate black people in his native country... where the black population was near zero," Camille Cosby wrote. Yet

after he killed Ennis Cosby, Mr. Markhashev reportedly said to a friend: "I shot a nigger. It's all over the news." The Americanization of Mr. Markhashev had seemingly been swift.

But he did not need to come to America to learn racism. While it is certainly present in America, it is also embedded in the culture of Eastern Europe. It does not seem to matter that the region has few blacks. Bigotry is a triumph of the imagination over both fact and common sense. Actual people, in fact, just complicate matters. Much of the rest of Camille

Cosby's argument is, however, simply indisputable. It is America as she sees it, and with that no one can quarrel.

When, for instance, she points out that images of slave owners adorn the paper currency, she is, of course, right. She names George Washington, neither of whom is a surprise, but then she adds Benjamin Franklin and Ulysses Grant, and their slave ownership is, I confess, news to me. I did not know that.

And that, in a way, is Camille Cosby's point: America looks different to blacks than it does to whites.

Where, for instance, a white person might see the inclusion of D. W. Griffith's "Birth of a Nation" on the list of America's top 100 films as an unexceptional acknowledgment of the obvious, Mrs. Cosby sees it as the acceptance of a racist movie, ugly down to its last frame. "This movie depicted black people as subhuman creatures," she wrote. Indeed it does.

In one of the first responses to the Cosby column, my Washington Post colleague Colbert I. King noted that Woodrow Wilson, a president who left his name all over the Washington area (a bridge, an institution, a boulevard, a high school) was, by today's standards, a racist who presided over the institutionalization of Jim Crow in the nation's capital. Mr. King sees the Wilson Bridge as some Jews hear the music of Wagner: It has a context that others miss.

Mr. King mentions "darkie stories" of the sort President

Wilson enjoyed telling. He might also have mentioned the "coon songs" of the era. In her book "Terrible Honesty: Mongrel Manhattan in the 1920s," the scholar Ann Douglas tells us that "Alexander's Ragtime Band" was one such song, Alexander being the comically grandiloquent name of a black man.

Students of musical history or mere students of history know these facts, but most Americans do not. I would bet all the plaid shirts in Tennessee that Lamar Alexander had no idea of the origins of "Alexander's Ragtime Band," the theme song for his 1996 presidential campaign, and neither did almost anyone who heard it.

And that is where I differ with Camille Cosby. America once was an indelibly, casually racist society. Racism was normal, unexceptional, so much a part of the culture that even many progressives accepted part of the dogma. No more.

The very success of the Cosbys strongly suggests that the country has changed. In fact, the change has been so dramatic that most Americans, blissfully ignorant of their own history, have almost no idea of its extent.

In black America, however, this is not the history of dry tones but of stories told at the dinner table. It lives in the experiences of people still alive, of entertainers who could play Vegas but not stay there, of cab drivers in Washington who can tell you which hotel first allowed blacks to pick up passengers — and, apparently, in the anger-cum-anguish of a Camille Cosby.

The Washington Post



Hot air.

LETTERS TO THE EDITOR

Refugees and AIDS

Regarding "Let's Not Leave Refugees Unarmed Against AIDS" (Opinion, July 9) by Millicent Obaso: We read with interest Millicent Obaso's article and would like to correct one possible misunderstanding. The United Nations High Commissioner for Refugees' policy does not prohibit voluntary AIDS testing in refugee camps. What should not be pursued as a matter of policy is mandatory testing among refugees, with the obvious exception of testing blood for transfusions.

Sadly, HIV/AIDS is present in all populations. Mandatory testing has no public health justification. It does not itself stop the spread of the virus, it violates the rights of the individual and it

leaves those who are identified as HIV-positive open to discrimination. HIV infection spreads fastest in conditions of poverty, powerlessness and social instability — conditions that generally prevail in refugee emergencies.

The establishment of adequate facilities for confidential voluntary testing and counseling is desirable, but this usually cannot be done during the first, acute phase of an emergency, when available testing facilities must be devoted to ensuring a safe blood supply for transfusions.

As the emergency situation stabilizes, voluntary testing and AIDS counseling programs should be made available to refugees and extended to the local population as well. Unfortunately, provid-

ing such care is ultimately a resource question.

JUDITH KUMIN, Geneva.

The writer is chief spokesman for the UN High Commissioner for Refugees.

Detecting Spirits?

Regarding "Folth and Science: Is There Common Ground?" (Features, July 2): Science describes the observable and measurable. Faith is pure speculation, although it can be sophisticated. Fundamentally we are interested only in knowing if some part of our person (especially our mind) can survive death. This may or may not have something to do with whether there is a god.

The challenge to science is thus to detect and measure the

presence of spirits, which should be abundant if we are to believe the religious. Now that we are about to measure neutrinos, this should be a next step.

MONROE M. SOLOMON, Bilbao, Spain.

Who Said What

Regarding "If They Can't Behave, Too Bad for Them" (Opinion, July 9) by Richard Reeves: Mr. Reeves says that George Washington tried to warn Americans against "entangling alliances." In fact, that expression was used by Thomas Jefferson in his first inaugural address. Washington, in his farewell address, had warned against "permanent alliances."

BERNARD SINSHEIMER, Boulogne, France.

CROSSWORD

ACROSS

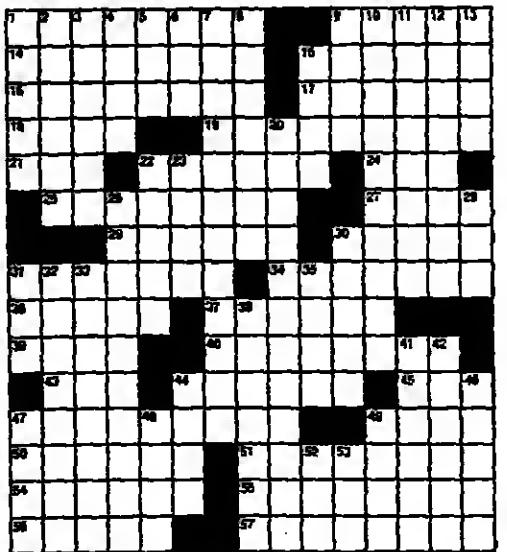
- 1 World War II danger
- 8 Stings
- 14 U.S. worker
- 15 Phantom
- 16 Certain craving
- 17 Bottom of the crankcase
- 18 Sarah, Duchess of
- 19 Major birth news
- 21 Part of a Latin trio
- 22 Woman with a cause
- 24 Prof. helps
- 25 Flip, as a top
- 27 Food for Fido
- 28 Nesting competitor
- 30 Lord's Prayer
- 31 Part of a box
- 34 Good bridge locale
- 36 Composer Bruckner
- 37 Kind of error
- 38 One of the Near Islands
- 40 Some football teams
- 42 Half a cartoon couple

DOWN

- 1 Great Pitt Valley locale
- 2 Geometrician's study
- 3 Diagonal mark
- 4 Words of reassurance
- 5 Nurse's aid
- 6 "Wheel of Fortune" request
- 7 Famous mathematical curiosity
- 8 Made
- 9 Send
- 10 Invigorating words
- 11 Be seen by, in a vision
- 12 Hearty entrée
- 13 Nine-digit ID's
- 15 Down (on)
- 16 Struggling rural worker
- 21 Winningest southpaw in major-league history
- 22 Captive of Hercules
- 23 Hard to believe
- 24 A.A.P.P. members
- 26 Trim
- 27 J.F.K. watchdog
- 28 Charm
- 29 Walked upon
- 30 Worry, perhaps
- 31 Permission paper
- 32 Not lost or destroyed
- 33 Volleyball player
- 34 Codes du Rhône and others
- 36 Wretched
- 37 Vent sound
- 38 Buddy
- 39 Nodded town in Buckinghamshire
- 40 Hole number
- 42 1994 World Cup host

Solution to Puzzle of July 16

HADON SOPPY NAB
ADELE WALLA ARE
HOWDIDAFULL PLY
DELY TWEAKED
DERN METZ DINA
ORO ANDNIDNEY
UMPED UNOIR
GASLAMP GENTLE
GASLAMP GENTLE
GETTOGETHER PRE
ALOE SOUR BONS
RAISING GEARS
NIL TOBEGITH
ENE EVOKE TITHE
RED WAKED SMOOT



Puzzle by Raymond Chandler

INTERNATIONAL FUNDS LISTING

Track the performance of over 2,400 international funds, every day, on the IHT site on the World Wide Web.

<http://www.ihf.com>

DO YOU LIVE IN FRANCE?



- Subscribe and SAVE up to 60% off the cover price.
- Also available: PAY MONTHLY by easy, low cost, direct debit.

EARLY MORNING DELIVERY TO YOUR HOME OR OFFICE.

A cosmopolitan, comprehensive and concise newspaper delivered every day to your home or office. In and around most of Paris and Lyon the International Herald Tribune offers early morning hand delivery on the day of publication, Monday through Saturday. And, because it is printed in Paris, Toulouse and Marseille, it can be sent by post to arrive on the same day in most of France at no extra cost.

The result? Unique coverage of the world you live in, brought to you as it changes — daily.

For more information about easy ordering and availability of hand delivery

CALL our Subscriber Customer Service Department:

TOLL FREE: 00800 4 448 7827 (00800 4 IHT SUBS)

or Fax: 01 41 43 92 10

E-mail: subs@iht.com — Internet: <http://www.ihf.com>

PAYMENT BY MONTHLY DIRECT DEBIT

- ☐ YES, I'd like to subscribe and have my bank account debited monthly by FF162. Please start my subscription and send me a bank form to arrange my payment.

PAYMENT BY CHECK OR CREDIT CARD

- ☐ YES, I'd like to subscribe and pay for the following term:
- ☐ 12 months (+ 2 months free): FF1,950 (Savings off cover price: 46%)
 - ☐ Special, 2-month trial subscription: FF210 (Savings off cover price: 60%)
- ☐ My check is enclosed (payable to the IHT)

- ☐ Please charge my:
- ☐ Access ☐ Amex ☐ Diners
 - ☐ Eurocard ☐ MasterCard ☐ Visa
- Credit card charges will be made in French Francs at current exchange rates.

Card N°: _____ Exp.: _____

Signature: _____

☐ Please start delivery and send invoice.

YOUR DETAILS

Family Name: _____
First Name: _____
Job Title: _____
Mailing Address: ☐ Home ☐ Business

City: _____
Postal Code: _____
Telephone: _____
E-Mail Address: _____
Your VAT N° (Business orders only)

(IHT VAT N° 747 320 211 26)
I got this copy of the IHT at: ☐ kiosk ☐ hotel ☐ airline ☐ other
☐ I do not wish to receive information from other carefully screened companies. 17-7-98

This offer expires on December 31, 1998 and is AVAILABLE FOR NEW SUBSCRIBERS ONLY.

Return your completed coupon to:
Subscriptions Director, International Herald Tribune,
181, Avenue Charles-de-Gaulle, 92521 Neuilly Cedex.
Fax: 01 41 43 92 10 E-Mail: subs@iht.com FR14

READERS IN OTHER COUNTRIES CAN SUBSCRIBE BY CALLING:

EUROPE, MIDDLE EAST & AFRICA	THE AMERICAS	ASIA
Tel: +33 1 41 43 93 61	Tel: (USA toll free) 1-800-882-2884	Tel: +852 29 22 11 71
Fax: +33 1 41 43 92 10	Fax: +1 212 755 8785	Fax: +852 29 22 11 99

INTERNATIONAL HERALD TRIBUNE
FRIDAY, JULY 17, 1998
PAGE 10

Leisure

On a Hong Kong Menu, Kung Fu and Nostalgia to Go

By Alison Dakota Gee

HONG KONG — The bill of fare at Hong Kong's new Bruce Lee Café is meant to pay homage to a legendary screen idol. But somehow, culinary offerings such as Fish of Fury, Satay of the Dragon and Kung Fu Curry do not quite capture the mythic qualities of the martial arts hero.

Never mind. They do, at the very least, hint at Bruce Lee's remarkable resonance. It was a quarter of a century ago, on July 20, 1973, that Lee died at age 32 of cerebral edema, apparently brought on after he had taken too much aspirin. But for the people of Hong Kong, as well as for those all across the region, Lee — martial arts warrior, film star, cultural ambassador, philosopher and writer — remains one of the most popular icons of the 20th century.

Testament to his enduring power is everywhere in this small, two-story café and makeshift museum. There are shelves and shelves teeming with Lee memorabilia: T-shirts, ceramic figurines, coffee mugs and posters. His original nunchukos (a weapon fashioned from two wooden sticks and a chain) and his somber black kung fu suit from "The Way of the Dragon" are displayed in a Plexiglas shrine. Covering every wall are movie stills that capture him, mostly bare chested and slick with sweat, in the peak condition of his short life.

But it is the images of Lee in motion that stun.

They flicker from television monitors, commanding foreign tourists and die-hard local fans, who have already marked a well-worn pilgrim trail here, to stand around the café's bar, silent and transfixed. All of Lee's famed scenes play again and again: the 30-minute, meticulously choreographed pas de deux of primal blows, kicks and yelps performed by Lee and Chuck Norris in the Rome Coliseum at the culmination of "Enter the Dragon." The passages from "The Way of the Dragon," in which Lee moves slowly, silently into a darkened hall of mirrors while his adversary Han lies in wait.

In each of the cult-favorite scenes, Lee prowls the screen, his body radiating energy and anger, pectorals and hips twitching in building fury.

"He was the most charismatic person I ever met," said Jon Benn, the American-born restaurateur who opened the Bruce Lee Café. Benn, who moved to Hong Kong in 1970, has earned a minor international celebrity among Lee fans as the evil white villain Big Boss from "The Way of the Dragon." A businessman, not an actor, Benn met the Hong Kong movie mogul Raymond Chow at a cocktail party shortly after he arrived from the United States.

"He came up to me and asked if I would like to be in a film with Bruce Lee," Benn said. "At the time, I had no idea who Bruce was but I said, 'Sure, why not?' Today, Benn regales the café crowds with tales of his friendship with Lee, which flourished even after the movie wrapped.

"Bruce loved to show off," said Benn, sitting below a photograph of himself locked in a no-contest arm-wrestle with the actor. "On the set, he would suddenly drop down onto two fingers and do a hundred push-ups. Once, just for fun, he jumped up around nine feet and kicked a light-bulb out of a ceiling fixture."

When Benn opened the café in June, Lee followers finally found a place to gather, trade stories, pay their respects and — yes, it must be said — shell out cash for more Bruce Lee keepsakes.

During July, there will be several Hong Kong venues at which devotees and the curious can celebrate his memory. On Monday, the anniversary of the day on which Lee died, Raymond Chow's studio, Golden Harvest, will premiere "And Now You're Dead," an all-action feature starring Lee's daughter, Shannon.

On Saturday, the Hong Kong-based Bruce Lee Fan Club will open an exhibition of memorabilia at the Hong Kong Arts Center that the words "shockingly comprehensive" can only begin to describe. The collection is made up of almost every imaginable trace of Lee's existence, 10,000 items that range from the expected (laser disks,

rare books, Lee action figures, Lee-theme toys, his personal weapons) to the downright fanatical (a pair of his shoes and pants, a face mask and a credit card receipt for a \$12.55 shirt that bears Lee's signature — which a fan club member bought for \$1,300 at a Los Angeles auction.)

Lee was born in 1940 in San Francisco (his father was a Cantonese Opera comic actor who toured internationally), but he spent most of his boyhood years in Hong Kong. At the age of 3 months, he made his film debut in "Golden Gate Girl" (although appearing as a new-born girl, he was more of a prop than a character). By 18, he was commanding starring roles in such local films as "The Orphan." His international debut came with a supporting role in the American television series "The Green Hornet."

As Kato, the Hornet's crusading companion, Lee astonished viewers with his kung fu prowess. Star-vehicle movies such as "Fists of Fury" parlayed Lee into an international celebrity and, in the process, placed the Hong Kong film industry on the map of world film.

Some people think that Lee redefined the way

Asian men were perceived by moviegoers in the West — and indeed, by themselves. For Hong Kong Chinese living under British colonial rule, he became a vital symbol of personal and cultural strength.

"My father took me to see 'The Big Boss' when I was 7 years old," said Lawrence Cheng, spokesman for the fan club. "Afterward, I could not sleep all night. I kept thinking about Bruce and asking myself, 'How could a Chinese man — or any man — be that fast, that strong?' Bruce Lee completely changed the image of Chinese people."

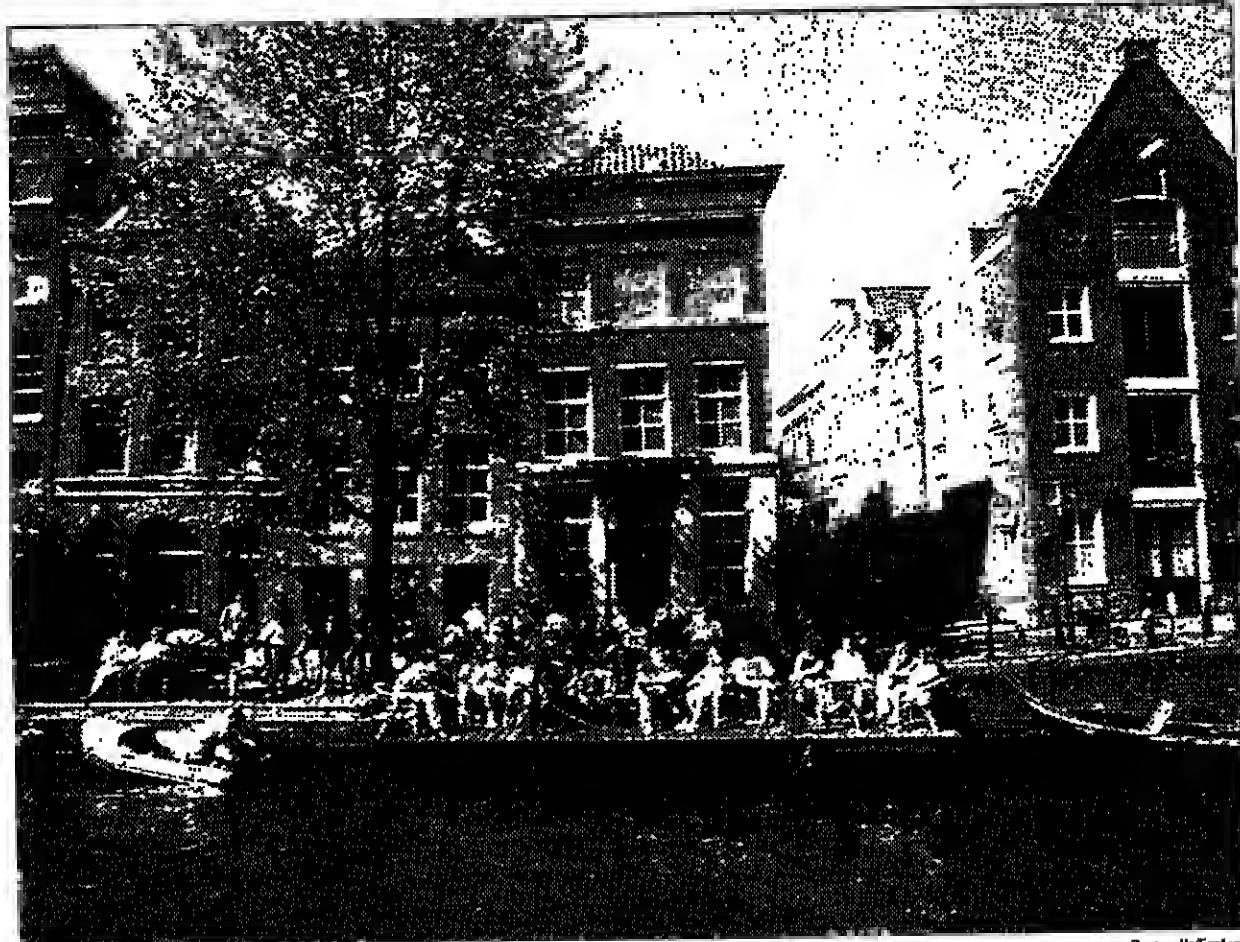
It wasn't only martial arts enthusiasts who felt so passionately about Lee. Film critics applauded his work as well. Law Kar, the programmer of the Hong Kong International Film Festival, said, "Bruce Lee was not just a kung fu hero, he was a national hero. He might have made highly commercial films but he brought to life characters who inspired strong feelings against oppressive bosses, colonialism and the ruling class."

LEE's cinematic persona was that of a classical martial arts master: "He not only had a great physical skill but high ideals and a defined philosophy as well," said Law, adding that Lee would always stand up for fallen people. "He spoke out and fought for what was ours," Law said. "And what we continue to take from Bruce Lee is his purity."

Alison Dakota Gee is a journalist based in Hong Kong.



Café Bruce Lee pays homage.



Customers enjoying Café Twist's sunny terrace on the banks of the Egelanders canal in Amsterdam.

Amsterdam Rooms With a View 2 Hotels Offer Comfort Overlooking the Canals

By Geraldine Fabrikant
New York Times Service

AMSTERDAM — In many cities the hotels with the best locations and views command the highest prices. But in Amsterdam a web of canals threads through the central city, insuring that even those without deluxe accommodations budgets can ensconce themselves in rooms with glorious waterfront views.

My daughter, who works in Amsterdam, has become an expert on hotels and restaurants that tourists often overlook. For my visit in March, she suggested the Ambassade, a hotel created out of 10 adjacent houses four and five stories high along the posh Herengracht (one of the city's central canals) that the two owners began converting in 1953. A 10-minute walk from the heart of central Amsterdam, the small, intimate and elegant Ambassade is not precisely a business hotel: There are no answering machines or faxes in each room, although voice mail has since been introduced.

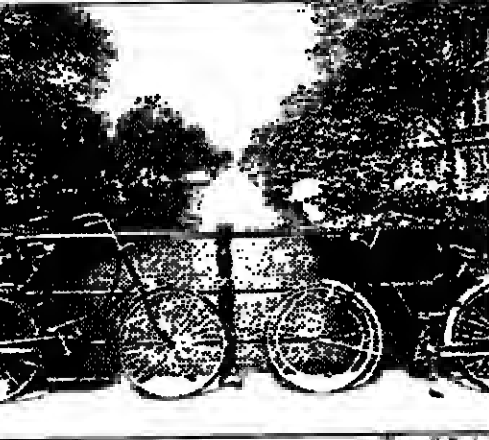
For those who want a slightly larger hotel but like the notion of living in the period houses the Dutch favor, there is the Pulitzer, also close to the heart of the city, but with 224 rooms and a more institutional feel.

The staff at the Ambassade is efficient at taking messages and making restaurant reservations as well as finding museum and train schedules, so a business traveler seeking a bit of atmosphere need not feel out of touch.

The Ambassade's rooms are \$160 a night and suites are \$210, with tax at 2.03 guilders to \$1. My spacious room had a double bed with large, soft pillows and a thick yellow bedspread-comforter, which came in handy.

Breakfast, which is included in the room price, can be ordered through room service. It arrived punctually, and we discovered that the Dutch version of a Continental breakfast is far more ample than the French edition. Our breakfast included boiled eggs, orange juice and three different breads.

Breakfast in the Ambassade's dining room, with its gleaming lacquered white walls, is itself a treat. The glass panes of the two-story windows are meticulously



A web of canals threads through the central city.

polished, and the white and blue tablecloths are just as painstakingly ironed. The buffet offered a selection of cereals and yogurt.

There is no bar as such, but one can order drinks in the large sitting room, which has a dramatic view of the canals and is furnished with some stunning antiques, including a signed 1700s Dutch grandfather clock.

My outdated guidebook said that the Rijksmuseum was closed on Monday, but the hotel staff knew that major museums are now open seven days a week. They also quickly got the train schedule for the Hague when I made a pilgrimage to the Mauritshuis, one of the country's greatest small museums.

Umbrellas are a necessity in the Netherlands, where it rains often. A large collection sits in the lobby, and guests can use them for the day.

Though the hotel now has just 52 rooms, the owners are remodeling the 10th house, which faces the Singel canal, and will have six more rooms and a second elevator by the end of 1999. About two-thirds of the rooms face directly onto the canal, so be sure to ask and reserve well ahead. Even in rainy March, the hotel was heavily booked.

Early last year the Ambassade opened a floating-tank and massage center down the street. Floats (\$27 for 45 minutes) and massages (\$32 for 45 minutes) are often booked in advance; reserve on arrival or earlier.

In contrast to the tranquil, cozy Ambassade, the Hotel Pulitzer, now an ITT Sheraton, bustles with three restaurants, an art gallery and a new business center

with rentals of personal computers, faxes, laser printers and mobile phones.

Like the Ambassade it is made up of a series of internally joined landmark houses that border two canals. In this case the Prinsengracht and Keizersgracht.

Many of its 224 rooms in the 24 adjacent buildings offer water views as extraordinary as those at the Ambassade, and the staff at the Pulitzer, though more hurried, attempts to be accommodating.

The Pulitzer is larger and more impersonal and more oriented to the business traveler. Because the hotel owns houses on two canals and has interconnected them, the lobby essentially runs from the entrance on the Prinsengracht through to the main restaurants, which are on the Keizersgracht. The lobby now includes a lounge that serves coffee and snacks beginning at 8 A.M.

THE ordinary decor could not under-estimate the stunning views across the Prinsengracht from my fifth-floor room. Those views are particularly magical at night. Not only are the most popular bridges illuminated with tiny lights around their arches, but in the center of Amsterdam, many buildings are illuminated, too.

Although my room at the Pulitzer overlooked the water, some rooms are on the lovely interior garden and some are on an internal courtyard. The rooms on the canal and the garden cost \$278 to \$303 a night. All have data-port phones and a handful offer faxes, copiers and larger desks. The rooms on the courtyard are \$241 to \$283.

At the Pulitzer, breakfast was not included in the room price. The informal dining area overlooks a canal and a slew of shops including a flower stall where, even in the pouring rain, plants were everywhere. The \$17.75 breakfast included a buffet table with cereals, scrambled eggs, sausages and bacon.

Hotel Ambassade, 341 Herengracht, 1016 G; Amsterdam; telephone (31-20) 626-2333; fax (31-20) 624-5321.

Hotel Pulitzer, 315-331 Prinsengracht; 1016 G; Amsterdam; (31-20) 523-5235; fax (31-20) 627-6753.

With both hotels, a written confirmation is recommended.

London: Sights for Summer City's Treasures Off Beaten Track

By Sarah Lyall
New York Times Service

LONDON — Dark, serious London opens up like a relieved flower in the summertime. The spectacular blooms and new broods of ducklings in the parks; the residents in short sleeves and flowing dresses; the young office workers enjoying after-work pints on the sidewalk at pubs — all conspire to lift the mood.

With many residents on extended vacations during July and August, Britain's capital is freed from its usual grip of gridlock and annoyed pedestrians. That means tourists are competing mostly with other tourists, and while the city's top attractions — the Tower of London and the Royal Palaces, to name two — deserve their status as required stops for visitors, it's worth taking time to wander off the beaten track.

Stroll through Hampstead Heath, which has pathways so far from the crowds that you may see nobody else at all. Visit Richmond Park, which has herds of tiny, tame deer, or investigate the myriad outdoor concerts, plays and other performances held around the city and farther afield.

Hampstead Heath is lovely and wild; Kenwood House, set on its edge, is stately and grand. Summer is marked there by a series of outdoor weekend concerts by the lake, including Tchaikovsky Classics on Aug. 1 and a Gershwin Centenary Celebration on Aug. 8. Times and ticket prices vary. For information and reservations call (44-171) 413-1443.

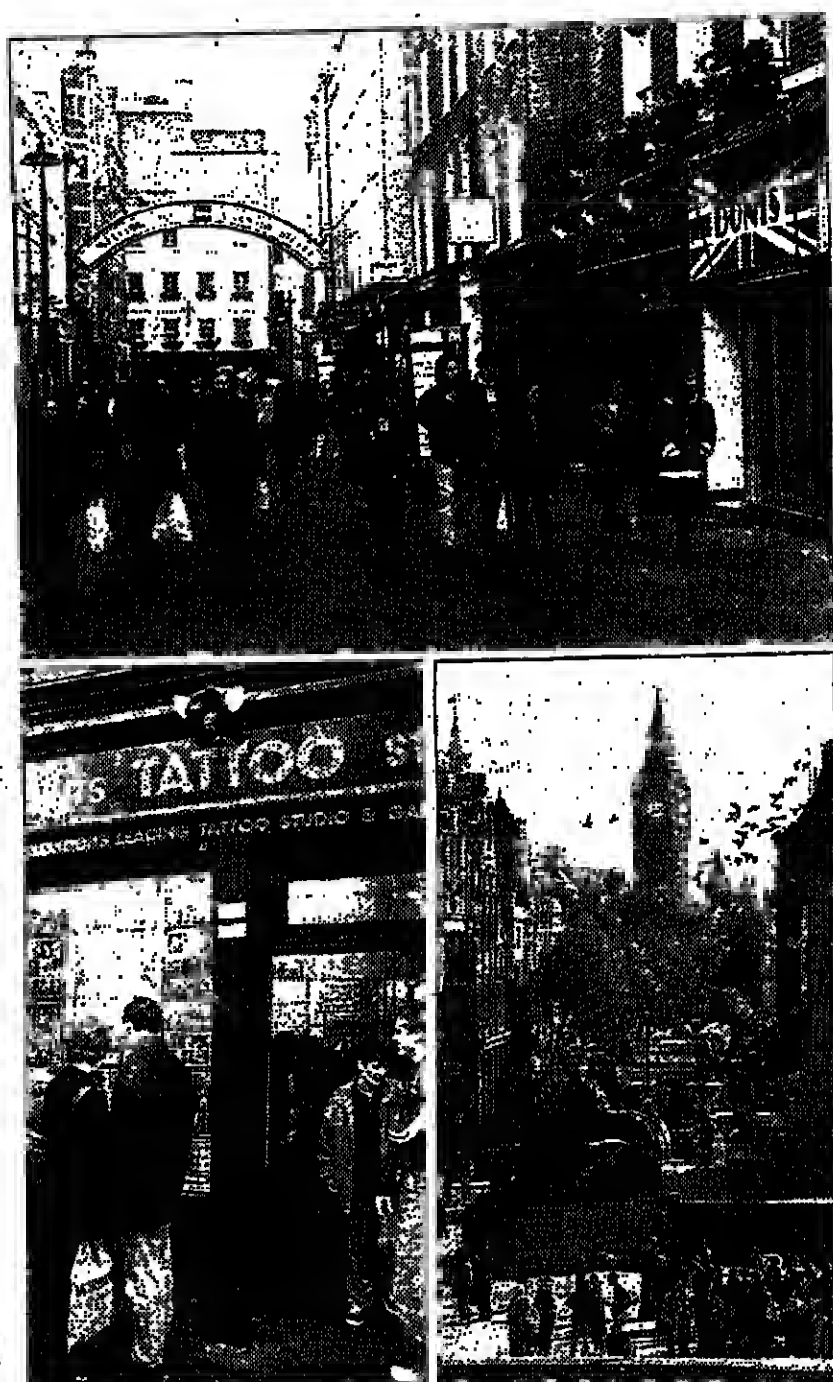
An evening at Shakespeare's Globe Theatre, painstakingly reconstructed to its 17th-century origins, allows audiences to enjoy culture as the Elizabethans experienced it. The repertory this summer includes "A Mad World, My Masters," by Thomas Middleton, and a delightful production of "As You Like It." Guided tours are offered until 12:30 P.M. The Globe is at New Globe Walk, Bankside, SE1; (44-171) 401-9919.

The Queen's Gallery, next to Buckingham Palace, has a year-round program of exhibitions of the art that the monarchy has amassed over the years. This summer's show, "The Quest for Albion," runs through Oct. 11. The Queen's Gallery features British paintings from the 1500s to the early 1900s. Among others represented are Hans Holbein the Younger, Hogarth, Reynolds and Gainsborough. Open 9:30 A.M. to 4:30 P.M. daily (last entry at 4 P.M.).

With its permanent collection of preternaturally large jewels, the Tower of London certainly deserves its status as London's top tourist attraction. Through Sept. 13, the Royal Armouries in the tower is host to "Treasures From the Moscow Kremlin," with spectacular items from the 17th and 18th centuries. Open 9 A.M. to 6 P.M. Monday to Saturday and 10 A.M. to 6 P.M. Sunday.

The Victoria and Albert Museum has just opened a gallery to show off its collection of 300,000 photographs. The first exhibition, through Nov. 8, includes a survey of photographic processes, starting with a daguerrotype made in Trafalgar Square in 1839. Photographers represented include William Henry Fox Talbot, who invented positive-negative photography; Edward Steichen; Nan Goldin; Henri Cartier-Bresson; and Irving Penn. Open Monday, noon to 5:45 P.M.; Tuesday to Sunday 10 A.M. to 5:45 P.M.

It has been derided as an instant monument to outdated architectural styles, but the new British Library at 96 Euston Road is worth visiting for its first-rate exhibitions. Among other treasures, it houses Shakespeare's First Folio of 1623; a Gutenberg Bible, printed circa 1455; Magna Carta, and original manuscripts by the likes of Jane Austen and Thomas Hardy. Other exhibits examine writing, children's literature, scientific books and the history of book production. Open Monday, Wednesday, Thursday and Friday, 9:30 A.M. to 6 P.M.; Tuesday to 5 P.M.; Saturday 9:30 A.M. to 5 P.M., and Sunday 11 A.M. to 5 P.M.



Carnaby Street, top; shop on Portobello Road, left; Trafalgar Square.

AS Dickens makes clear, London takes much of its character from the Thames, and there are lots of ways to navigate it. If you sail to Greenwich — a 30-minute trip — stop at the Old Royal Observatory, home of Greenwich Mean Time and the Zero Meridian. Two companies operate boats to Greenwich: Passenger Boat Services, which leaves from Westminster Pier, and Catamaran Cruises, which leaves from Charing Cross Pier.

Greenwich is a scene of high end-of-century excitement these days, as the country builds its enormous Millennium Dome on the spot where 2000 officially begins. The Old Royal Observatory, founded in 1675 by Charles II to solve the problem of how to sail the seas without getting lost, is behind the National Maritime Museum on Romney Road. Hours are 10 A.M. to 5 P.M. daily.

A VARIETY OF RESTAURANTS

Since it opened in January, Pharmacy has become one of London's trendiest restaurants. It is partly owned by Damien Hirst, contemporary art's aging enfant terrible, and is decorated with, among other things, his medicine cabinet installation filled with boxes of pills (to make you think about mortality). Waiters in white coats. Appetizers include home-salted cod and aubergine caviar with balsamic dressing; as a main course, there is roast duck with white peaches and large french fries. Dinner for two, with wine, comes to about \$135. The restaurant is at 150 Notting Hill Gate, W11; (44-171) 221-2442.

The Oxo Tower, on the south bank of the Thames, has views over the city and modern British food. Dinner might include a grilled mushroom filled with snails as an appetizer and roast monkfish wrapped in Parma ham with shaved fennel and celery salad, with sautéed potatoes and aoli as a main course. Dinner for two, including wine, comes to \$200. Oxo Tower Wharf, Barge House Street, SE1; (44-171) 803-3888.

Of all the ethnic cuisines in London, Indian is the most sophisticated and the most prevalent. The acclaimed Rasa W1, younger sibling of Rasa, a popular restaurant in North London, serves vegetarian food of the southern Indian province of Kerala, and includes extensive and mouth-watering descriptions of such dishes as *moru kachiotu*, a sweet-and-sour combination of mangoes and green bananas cooked in yogurt with chilies, ginger and fresh curry leaves. Dinner for two with wine is about \$50. The restaurant is at 6 Dering Street, W1; (44-171) 629-1346.

Villandry, 170 Great Portland Street, W1; (44-171) 631-3131, is both a restaurant and one of London's finest food shops. The menu changes twice daily; offerings might include grilled calves' liver with broad beans, grolle mushrooms, peas, bacon and shallots as a main course. Dinner for two with wine is about \$120.

In the heart of Soho, Yo! Sashi is a playful manifestation of London's love affair with Japanese food. Customers at a counter grab sushi and salads that move along a conveyor belt. Drinks are served by a little robotic cart on wheels. On average, dinner for two with wine costs \$48. Open noon to midnight daily at 52 Poland Street, W1; (44-171) 287-0443.

Londoners take their retail breaks in the Fifth Floor Café of Harvey Nichols, on Brompton Road, with its small tables, brisk turnover and magnetic effect on celebrity shoppers. The small, simple menu includes soups, smoked salmon and salads. Lunch for two with wine is about \$70. (44-171) 823-1839.

APRIL 2005

THE FREQUENT TRAVELER

Designs for Hotel Living

By Roger Collis
International Herald Tribune

LONDON has always been well endowed with small, luxury hotels, what some people call town-house hotels, boutique hotels or baby grands, ranging from country-house classic to contemporary and often deliciously eccentric.

These are hidden gems — upholders of bygone grace and tradition. Typically, they are privately owned, independently run and quite as expensive as the Savoy, Ritz, Connaught or Claridge's. But the best of them often achieve that elusive amalgam of comfort, friendliness and efficiency that I call hospitality.

Now a new wave of "design" hotels have joined the genre — hip homes-away-from-home that are "concepts" where everything behind the Victorian and Edwardian facades, from the visual choreography of the lobby, with chairs you are likely to sit in the wrong way, to the bedside reading light and the toothbrush holder, is a tribute to the interior designer's genius. What they have in common is that they are all different. Design hotels are supposed to reflect who you are — or who you aspire to be.

"They are called 'design' hotels because they are designed to meet the needs of mainly young, affluent, image-conscious travelers who want to feel that their lifestyle is reflected by where they stay," said Nigel Massey, a London consultant. "They break all the ground rules of classic hotels: They are sensationally different, simple in design, elegant and very fashionable. They attract people from the four M's — the music, modeling and fashion, movies and media industries — creative people and executives who love these kinds of hotels. They are hip, cool, at the cutting edge of design in what they do, the cars they drive, what they wear. And hotels are merely an extension of that."

"People really started talking about design hotels around the time the Halkin opened in 1991, followed by the Metropolitan last year. They've both taken London by storm. Then you have the Malmesbury hotels, where they've taken landmark buildings like churches and warehouses, gutted them and created



Susan Goldberger/HT

stylish interiors behind the original facades. They've been a tremendous success."

The Halkin and the Metropolitan are the brainchild of the fashion guru Christina Ong who lives in Singapore. The Halkin, just behind Hyde Park Corner on a quiet Belgrave street, offers chic Milanese design and Italian food and a wealth of high tech. Guestroom corridors curve at a gentle angle and ceilings arch downward to meet the walls. All 41 rooms have dual-line phones, a fax machine with personal number, VCRs, multichannel cable and satellite TV, a wall safe and a personal bar. A Teletype center gives instant access to market and news reports and there are private rooms for business meetings and secretarial services.

HOT SPOT TO HANG OUT

The Metropolitan off Park Lane, larger with 154 rooms, has similar clean lines, with light hardwoods and marble and natural fabrics. Bedrooms are crisp and comfortable with three phone lines, U.S. and U.K. modern points, voice mail and desks you can spread out on. There's a high-tech gym with awesome stepping and rowing machines, a cafe/lounge-bar, one of the hottest in London to hang out, and Nobu, a Michelin-starred restaurant and sushi bar serving "new-style" Japanese cuisine.

Nicholas Rennie, general manager of the Halkin and the Metropolitan, said,

"Travelers in the late 1980s who looked out for small boutique hotels were getting tired of chintz fabrics, fluffy curtains and four-poster beds. They were looking for the kind of modern design they have in their homes and offices. The idea is when you travel you go for an experience. Design is important, but it has to be style that you feel comfortable with."

Light-years away from any design you could ever imagine is the Portobello, near the Portobello Road market in the heart of Notting Hill. The oldest, most eccentric design hotel in London, it has been a haven for movie people, fashion celebrities, music and media folk for nearly 26 years. It is funky and fun with just 20 bedrooms decked out with a hodgepodge of antiques and military paraphernalia and a mixture of four-posters, a ship's bunk and even a round bed specially made for Alice Cooper.

David Naylor-Leyland is owner of Dukes, a 62-room hotel tucked away in a gaslight courtyard off Piccadilly, a haven of good taste, comfort and relaxed charm. Rooms and suites are individually decorated and furnished with period furniture, objets d'art, fine paintings and porcelain, along with marble bathrooms. Bartender Gilberto Preti is said to mix the meanest martini in town.

The Egerton and Franklin are smaller versions with 30 and 47 rooms respectively. They share a terrace of Victorian town houses overlooking a lovely tree-lined Knightsbridge square.

Ken McCullough, Scottish hotelier and founder of Malmesbury Hotels, said, "I think 'design' is a dangerous term; I wouldn't like to put a label on what we're doing. We started in 1994 with the idea of creating hotels that were high on style — classic contemporary would last — and gimmicky, design that would last — and good value for money — less than £100 [about \$160] a night. We talk about hotels that are different. People love it."

Malmesbury has taken distinctive buildings — the Glasgow hotel was a church, Edinburgh a seamen's mission, Newcastle a quayside warehouse — and created stunning interior designs that work with the original architecture and setting. McCullough plans to open Malmesbury hotels in London, Milan, Rome, Paris and the United States.

THE X-FILES
FIGHT THE FUTURE

Directed by Rob Bowman.

U.S. Conspiracy theorists, consider this: What if the hush-hush atmosphere and Internet mania surrounding the first "X-Files" feature film were part of a giant plot to hide the uneventfulness of one more summertime sci-fi fizzle? It's as possible as much of what "The X-Files: Fight the Future" has to offer. It devotes

of the television series come to the film with enough baggage for a six-week safari, perhaps they can deepen the experience of watching a middling, unfocused action-adventure with brand-name appeal. But there's a catch: This film isn't tailor-made for true X-fanatics, because the material has been so broadened to accommodate the uninited.

Trust no one who dreams up an action sequence in Antarctica for the big screen. No, no and you must be joking. Those are the answers to the first three questions that the prospect of an "X-Files" movie raises: Do Scully and Mulder get extraterrestrial while hunting for the series' outstanding mysteries? Will there be a sequel? The movie teasingly offers the prospect of big developments in the television X-plot, but all it really does is create a vague omnibus format for future movie spinoffs.

That may make it a crossover hit quicker than you can say Trek, but a lot of the show's otherworldly intensity has been lost in the process. Meanwhile, the movie may raise more questions than it meant to when it offers glimpses of alien trouble-makers. Reaching for run-of-the-mill grisly horror, it winds up attributing sophisticated global-domination plans to vicious, long-clawed spacelings who are more prone to screams than schemes. Without making much connection with the end-of-season television cliffhanger, the film



Gillian Anderson and David Duchovny in "The X-Files."

starts off in Ice Age Texas, where aliens lurk in wait for Early Man. Thirty-seven thousand years later, Texas has heated up, but the aliens' modus operandi hasn't much changed. A nicely diabolical early scene shows a little boy savaged by the invasive virus nicknamed the black oil. Typically, as it works to cover too many bases, the film mends the virus again but never follows through on one of its best special-effects tricks. But the touch of X-iness that will matter most to both diehards and neophytes is the film's promise of heightened conspiratorial activity between Scully (Gillian Anderson) and Mulder (David Duchovny).

And here's where it does the most mischievous teasing, since the story's big Antarctic spectacle seems warmer than the not-quite-love-affair. The film contrives a fairly strangled declaration of fondness from Mulder, a near-clinch and a wild idea of how to get a heroine out of her clothes. This last episode, unfolding in a huge set that resembles a giant caribou, doesn't actually glimpse Scully in the nude or goad Mulder into anything more daring than a Sir Walter Raleigh imitation. But as on-the-job rescue efforts go, it does qualify as a fetishist's delight. (Janet Maslin, NYT)

OUT OF SIGHT

Directed by Steven Soderbergh. U.S.

What place is this? Where are we now? Well, the beautiful woman pulls a Remington 12-gauge pump out of her car trunk, jacks a shell into the chamber and collars a filthy escapee from a Florida prison camp. Unfazed by the .70-caliber bore looming before him, he strips her of the gun, dumps her in the same trunk, climbs in with her, and a co-hort drives them away. He's a career criminal; she's a U.S. marshal. Naturally he begins to flirt. Naturally, she flirts back, even as she reaches for her new SIG-Sauer .380, a gift from Dad. Where are we now? We could only be one place: in the loopy, vivid,

funny, crazed dangerous world of Elmore Leonard, whose "Out of Sight" has just made it to the screen, with George Clooney as the good-guy and Jennifer Lopez bad-guy. Note the punctuation in the qualifiers, please. That small dot between the words explains what's so fascinating about Leonard. The key to nearly everyone's character and motive is the hyphen that balances an equipoise of contradictions, the opposing values. Almost no one is pure, as in pure evil or pure good. Steven Soderbergh handles the time shifts adroitly, always keeping us on track; he goes easy on the violence, when he does unleash it, it's short, fast and ugly. He understands the dangers of guns. And he captures Leonard's trademark fascination with truly bad guys. This would be Snoopy Miller, a dead-eyed Detroit operator who uses violence more readily than necessary, but who hides it behind extravagant social graces. Don Chedle brings real chill to this bad boy's badness. His advantage is that unlike all the others in the cast, he has no hyphens in his character; there's a solid opposition in him at all, only hard, cold hunger. He's as scary as they come, and his nastiness gives "Out of Sight" its special sting. The movie is good. (Stephen Hunter, WP)

Isn't it time
you visited
A DREAMLAND?



The world's longest
unbroken sea beach.
The world's largest
mangrove forest.
Home of the
Royal Bengal Tiger.
Thousands of
rivers and rivulets.
Colourful hill tribes.
Bangladesh -
a piece of heaven on earth.

Biman
BANGLADESH AIRLINES
Your home in the air

ARTS GUIDE

AUSTRIA

VIENNA
Palais Hertz, tel: (1) 525-244-03, open daily. Continuing/To Aug. 9: "Henry Moore." An exhibition of 85 sculptures and 40 drawings by the British sculptor (1898-1986).

BELGIUM

ANTWERP
Koninklijk Museum voor Schone Kunsten, tel: (3) 238-7808, closed Mondays. Continuing/To July 26: "Pieter Breughel la Jeune et Jan Brueghel l'ancien: Une Famille de Peintres Flamands vers 1600." Approximately 20 works on paper and 130 paintings by the sons of Pieter Breughel the Elder.

BRITAIN

LONDON
Hayward Gallery, tel: (171) 928-3144, open daily. To Sept. 6: "Bruce Nauman." Video installations, neon signs, films and drawings by the American conceptual artist (born 1941).
www.hayward-gallery.org.uk
National Gallery, tel: (171) 747-2885, open daily. To Oct. 11: "Venice Through Canaletto's Eyes." Paintings and drawings trace how the Italian painter (1697-1768) captures the splendor of Venice's festivals, regattas and other ceremonies.
www.nationalgallery.org.uk

FRANCE

PARIS
Jardins du Palais-Royal, open 7 A.M. to 11 P.M. To Aug. 31: Jacques Lipchitz. Sculptures by the Lithuanian-born sculptor (1891-1973) are exhibited in the 18th-century gardens.
Musée du Louvre, tel: 01-40-20-51-51, closed Tuesdays. Continuing/To Sept. 21: "L'Apparence des Cieux: Astronomie et Astrologie en Terre d'Islam." Islamic celestial spheres, astrolabes and manuscripts dating from the 10th to the 18th centuries.
http://musee.louvre.fr

GERMANY

COLOGNE
Römisch-Germanisches Museum, tel: (221) 221-2304, closed

Mondays. To Aug. 23: "The New World of the Greeks: Ancient Art from Lower Italy and Sicily." 200 sculptures, bronzes, vases and pieces of architectural ornamentation, spanning 500 years of Greek colonization in Italy.

GREECE

ATHENS
Benaki Museum, tel: (1) 361-1617. To July 26: "From the Portraits of the Fayum to Byzantine Icons." Painted at the time of the Roman colonization, the portraits of mummified bodies — were excavated in the Fayum area.

ITALY

FLORENCE
Palazzo Strozzi, tel: (55) 26-241, closed on Tuesdays. To July 28: "Caterina la Grande." Approximately 200 works from the Hermitage Museum in St. Petersburg, built under the aegis of Catherine II, Empress of Russia and patron of the arts, in the 18th century.

TURK

Galleria Civica d'Arte Moderna e Contemporanea, tel: (11) 562-9911, closed Mondays. To Sept. 13: "Bruce Chabwin, Photographs." Photographs by the British travel writer (1940-1989).

JAPAN

KARASIMA
Marugame Genichiro Inokuma Museum of Modern Art, tel: (877) 24-77-55. To July 19: "Georges Braque." A retrospective of 100 works by the French painter (1882-1963). His association with Picasso until World War I led to the development of Cubism.

TOKYO

National Film Center, tel: (3) 3561-0523. To Aug. 15: "Brett Weston and American Photographs." Brett Weston (1911-1993), is a son of Edward Weston, one of the pioneers of American photography. The show brings together a selection of his works and photographs by Imogen Cunningham, Walker Evans and Diane Arbus.

RUSSIA

ST. PETERSBURG
Hermitage Museum, tel: (812) 110-9825, closed Mondays. Cur-

rently exhibited: "Schliemann, Petersburg, Troy." Objects excavated by Heinrich Schliemann on the site of ancient Troy in Turkey in the 1870s. Donated to Germany by the archaeologist, the treasure, which dates back to the third millennium B.C., was brought to Moscow by Russian troops at the end of World War II.

SINGAPORE

Asian Civilisations Museum, tel: 338-00-00, closed Mondays. Continuing/To Aug. 16: "Paintings by Zhuangzi Artists of the Ming and Qing Dynasties." A glimpse into the art of the rarely shown Chinese artist Chen Hongshou. His works and those of other contemporary artists attest to the creativity of classical Chinese painters in figurative works.
Singapore Art Museum, tel: 332-3222, closed Mondays. Continuing/To Sept. 13: "The Origins of Modernism in France, 1880-1939." Paintings and sculptures by Impressionists and French Post-Impressionists.

SPAIN

MADRID
Museo Nacional de Arte Reina Sofia, tel: (1) 467-50-62, closed Tuesdays. Continuing/To Aug. 31: "Diseno Industrial en Espana: Un Siglo de Creacion e Innovacion." Documents industrial design in Spain since the middle of the 19th century.

SWITZERLAND

LAUSANNE
Fondation de l'Hermitage, tel: (21) 320-50-01, closed Mondays. To Oct. 11: "Futurisme, 1909-1944: L'Italia Face a la Modernite." 1944: L'Italia Face a la Modernite. Carlo Carrà, Luigi Russolo and Gino Severini were the main representatives of the Italian movement that started in the 1910s, the first attempt at a depiction of life being penetrated by machines and new technologies. The exhibition brings together 130 paintings, sculptures and works on paper.

TAIWAN

TAIPEI
Taipei Fine Art Museum, tel: (2) 25-55-76-66. To Sept. 6: "1998 Taipei Biennial: Site of Desire." Brings together the works of 30

UNITED STATES

LOS ANGELES
The Getty Center, tel: (310) 440-7380, closed Mondays. To Aug. 23: "Landscapes Drawings, 1500-1900." A celebration of nature in the drawings by Rembrandt, Titian, Poussin, Seurat and van Gogh.
www.getty.edu

NEW YORK

Museum of Modern Art, tel: (212) 708-9400, closed Wednesdays. Continuing/To Oct. 13: "Bonnard." Nearly 100 paintings by the French painter (1867-1947), his work includes landscapes, still lifes, interiors, the celebrated bath paintings of his enigmatic wife and self-portraits.
www.moma.org
Whitney Museum of American

Art, tel: (212) 570-3676, closed Mondays and Tuesdays. Continuing/To Aug. 30: "Unknown Terrain: The Landscapes of Andrew Wyeth." Landscapes in watercolor, tempera and brush work by the American painter (born 1917).

WASHINGTON

National Museum of American Art, tel: (202) 633-8938, open daily. To Sept. 7: "Hockney's Grand Canyon: A Visionary View." A grid of 60 oil paintings by the British painter (born 1937). Each depiction is complete in itself and dovetails with the other paintings to form an overall view of the canyon.
www.nmaaa.si.edu

CLOSING SOON

ASIA
July 18: "Roy Lichtenstein: Landscape in Chinese Style." Hong Kong

July 18: "Roy Lichtenstein: Landscape in Chinese Style." Hong Kong

July 18: "Roy Lichtenstein: Landscape in Chinese Style." Hong Kong

July 18: "Roy Lichtenstein: Landscape in Chinese Style." Hong Kong

July 18: "Roy Lichtenstein: Landscape in Chinese Style." Hong Kong

July 18: "Roy Lichtenstein: Landscape in Chinese Style." Hong Kong

July 18: "Roy Lichtenstein: Landscape in Chinese Style." Hong Kong

July 18: "Roy Lichtenstein: Landscape in Chinese Style." Hong Kong

July 18: "Roy Lichtenstein: Landscape in Chinese Style." Hong Kong

July 18: "Roy Lichtenstein: Landscape in Chinese Style." Hong Kong

July 18: "Roy Lichtenstein: Landscape in Chinese Style." Hong Kong

July 18: "Roy Lichtenstein: Landscape in Chinese Style." Hong Kong

July 18: "Roy Lichtenstein: Landscape in Chinese Style." Hong Kong

July 18: "Roy Lichtenstein: Landscape in Chinese Style." Hong Kong

July 18: "Roy Lichtenstein: Landscape in Chinese Style." Hong Kong

July 18: "Roy Lichtenstein: Landscape in Chinese Style." Hong Kong

July 18: "Roy Lichtenstein: Landscape in Chinese Style." Hong Kong

July 18: "Roy Lichtenstein: Landscape in Chinese Style." Hong Kong

July 18: "Roy Lichtenstein: Landscape in Chinese Style." Hong Kong

July 18: "Roy Lichtenstein: Landscape in Chinese Style." Hong Kong

July 18: "Roy Lichtenstein: Landscape in Chinese Style." Hong Kong

July 18: "Roy Lichtenstein: Landscape in Chinese Style." Hong Kong

July 18: "Roy Lichtenstein: Landscape in Chinese Style." Hong Kong

July 18: "Roy Lichtenstein: Landscape in Chinese Style." Hong Kong

July 18: "Roy Lichtenstein: Landscape in Chinese Style." Hong Kong

July 18: "Roy Lichtenstein: Landscape in Chinese Style." Hong Kong

July 18: "Roy Lichtenstein: Landscape in Chinese Style." Hong Kong

July 18: "Roy Lichtenstein: Landscape in Chinese Style." Hong Kong

July 18: "Roy Lichtenstein: Landscape in Chinese Style." Hong Kong

July 18: "Roy Lichtenstein: Landscape in Chinese Style." Hong Kong

July 18: "Roy Lichtenstein: Landscape in Chinese Style." Hong Kong

July 18: "Roy Lichtenstein: Landscape in Chinese Style." Hong Kong

July 18: "Roy Lichtenstein: Landscape in Chinese Style." Hong Kong

July 18: "Roy Lichtenstein: Landscape in Chinese Style." Hong Kong

July 18: "Roy Lichtenstein: Landscape in Chinese Style." Hong Kong

July 18: "Roy Lichtenstein: Landscape in Chinese Style." Hong Kong

July 18: "Roy Lichtenstein: Landscape in Chinese Style." Hong Kong

July 18: "Roy Lichtenstein: Landscape in Chinese Style." Hong Kong

July 18: "Roy Lichtenstein: Landscape in Chinese Style." Hong Kong

July 18: "Roy Lichtenstein: Landscape in Chinese Style." Hong Kong

July 18: "Roy Lichtenstein: Landscape in Chinese Style." Hong Kong

July 18: "Roy Lichtenstein: Landscape in Chinese Style." Hong Kong

July 18: "Roy Lichtenstein: Landscape in Chinese Style." Hong Kong

July 18: "Roy Lichtenstein: Landscape in Chinese Style." Hong Kong

July 18: "Roy Lichtenstein: Landscape in Chinese Style." Hong Kong

July 18: "Roy Lichtenstein: Landscape in Chinese Style." Hong Kong

July 18: "Roy Lichtenstein: Landscape in Chinese Style." Hong Kong

the moment
seize

Pack up all your cares and woe. Toast the weekend with a favorite chardonnay. Breakfast in bed was never more civilized. Relax. Luxuriate. Celebrate life! Shop. Go to the theater. Go dancing. Our time was never better to indulge in a bit of Paris in New York. Our Summer special is just \$275 for a guest room or \$395 for a one-bedroom suite per night, tax excluded. Includes Continental breakfast for two or overnight valet parking.

June 25 to September 7, 1998 Subject to Availability



HÔTEL PLAZA ATHÉNÉE

37 EAST 64TH STREET, BETWEEN MADISON AND PARK AVENUES

212 754 9100 • 800 447 8800 • FAX 212 772 0958

Member of "The Leading Hotels of the World"

AT&T
AT&T Direct Service
AT&T Access Numbers

Area	Access Number	Area	Access Number
Atlanta	800-222-2111	Atlanta	1-800-550-080
Boston	800-222-2111	Boston	1-800-550-080
Chicago	800-222-2111	Chicago	1-800-550-080
Dallas	800-222-2111	Dallas	1-800-550-080
Denver	800-222-2111	Denver	1-800-550-080
Houston	800-222-2111	Houston	1-800-550-080
Los Angeles	800-222-2111	Los Angeles	1-800-550-080
London	800-222-2111	London	1-800-550-080
Madrid	800-222-2111	Madrid	1-800-550-080
Mexico City	800-222-2111	Mexico City	1-800-550-080
New York	800-222-2111	New York	1-800-550-080
Paris	800-222-2111	Paris	1-800-550-080
Rio de Janeiro	800-222-2111	Rio de Janeiro	1-800-550-080
Sao Paulo	800-222-2111	Sao Paulo	1-800-550-080
Seoul	800-222-2111	Seoul	1-800-550-080
Singapore	800-222-2111	Singapore	1-800-550-080
Taipei	800-222-2111	Taipei	1-800-550-080
Tokyo	800-222-2111	Tokyo	1-800-550-080
Wash. D.C.	800-222-2111	Wash. D.C.	1-800-550-080

with AT&T Direct™ Service. Get fast, clear, reliable connections home from anywhere on the map. Just dial the access number of the country you're calling from and charge it to your AT&T Calling Card or credit card. It's the best route you can take. For a list of access numbers, see our ad on the back page.

It's all within your reach.



(get around)

INTERNATIONAL



Festina riders, from left, Laurent Brochard, Richard Virenque and Laurent Dufaux, reacting to the suspension.

TOUR: Festina Coach Is Suspended as Drug Investigation Goes On

Continued from Page 1

lin, where this 85th Tour began Saturday.

Roussel and the doctor, Eric Ryckael, have both denied the accusation.

Nevertheless, a drawn Leblanc said, "There are sufficiently grave conditions" to suspend Roussel's license. He might have been referring to coverage by French newspapers, which universally featured the drug case on their front pages and relegated the race results to inside pages.

Leblanc was a professional rider himself at the time of the Tour's biggest drug affair, the death in 1967 of the British rider Tom Simpson during a climb on Mont Ventoux in France.

Amphetamines were blamed when Simpson became overheated during the stage and suffered a fatal heart attack.

The Tour's last major doping scandal occurred in 1988, when the race leader, Pedro Delgado, a Spaniard, failed a drug test because he had used a masking agent for steroids.

Delgado was allowed to continue to triumph in Paris because the drug was illegal under most standards and was scheduled to be banned by the UCI a few weeks later. Leblanc, by then a journalist, took over command of the race the next year.

Four riders — the stage winner, the runner-up and two men chosen at random — are tested for drugs each day in the Tour. There have been no announced failures in this decade.

The Tour director said that he had talked by phone Thursday morning with Hein Verbruggen, the head of the cycling union, which is meeting in Havana, and that Verbruggen had been "disturbed by press coverage of the affair and the image it is giving to the Tour."

As for the nine Festina riders in the race, Leblanc repeated his stand that "nothing has been proved against them" and that therefore they were not subject to expulsion or any other penalty. The riders include Laurent Brochard, the world road race cham-

pion, and Richard Virenque, the race's top climber the last four years and the second-ranked competitor in the last Tour.

Bruin also said that the riders faced no immediate sanctions. "Again for the time being, it has nothing to do with the riders," he said. "It has everything to do with the soigneur and some details that have come to the attention of the UCI executive committee." He would not specify the details.

The suspension, announced in Cholet as a cold drizzle fell on officials, riders and journalists before the start of the fifth stage, was controversial.

"I don't think it's fair," said Patrick Lefevre, the directeur sportif, or coach, of the Mapei team, which is ranked just below Festina in the computerized standings. "Until a person is found guilty, he's innocent. Provisional suspension, bah. If after this he's found not guilty, is the UCI going to pay him for damage to his reputation? I don't think so."

"If he ordered the soigneur to do this, he's guilty," Lefevre continued in an interview. "But if the soigneur was trafficking in drugs and the directeur sportif didn't know about it, he's not guilty."

And in that case there's a lot of damage for nothing."

Bernard Thevenet, a television commentator and twice a winner of the Tour in the 1970s, put it this way: "It's a very delicate matter."

What's the right way to go? That's the problem. Is this enough to lift the cloud over the race? But at least the UCI has tried to do something."

Johnny Welsch, directeur sportif of the U.S. Postal Service team, said: "It's hard to figure out what's the real story. He has his legal rights but the UCI may know something we don't and that's why they acted."

Festina riders were supportive of Roussel and somewhat defiant.

Virenque, a Frenchman who is among the favorites, said at another news conference: "We're here to win the Tour de France and we'll continue to ride to do

so. We're not here to discuss doping. I'll answer questions about the stage today but not about this affair."

Neil Stephens, an Australian with Festina, was more forthcoming. "The team is pretty depressed," he said in an interview. "We've got a couple of mates involved in pretty heavy stuff and we're just trying to get on with it."

Referring to Roussel, he added: "Bruno said a couple of days ago he wanted to go to the court, he wanted to talk. He said he's got nothing to hide, he wanted to get everything out of the way."

"He said to me yesterday morning 'One of these days the coppers are going to come for me and take me away' — he was quite willing to talk."

"We're going to let justice do its bit and we're going to do our bit and try to win the Tour de France. So let's get on with it."

Thalidomide Sale Approved for U.S.

The Associated Press

WASHINGTON — Thalidomide, a drug used to treat multiple sclerosis, has been approved for sale in the United States, but with restrictions aimed at avoiding the birth defects it produced in the 1960s.

The agency said that thalidomide effectively treats a small number of leprosy patients — no more than 50 Americans a year — who suffer an agonizing inflammation.

But thalidomide becomes the most restricted drug ever sold in the United States. Every American, male or female, who uses the drug will be required to enroll in a government-monitored registry.

Women must undergo pregnancy tests before getting the drug, and men and women must use contraception.

Israelis to Meet With Palestinians

Reuters

JERUSALEM — Prime Minister Benjamin Netanyahu said Thursday that he expected his defense minister, Yitzhak Mordechai, to meet a Palestinian negotiator, perhaps even right away, to try and reach a peace breakthrough.

The Palestinians also said they were ready "in principle" to meet with the Israelis.

"There's general agreement, certainly on our part, that it's time to engage the Palestinians directly," Mr. Netanyahu said in an interview. "I assume the first meeting will be with Mr. Mordechai, the defense minister."

The United States, the main broker in Middle East peace talks, said this week that Israel and the Palestinians would resume direct talks after Yasser Arafat,

the Palestinian chief, returned home from a trip to China. He came back Thursday.

"We haven't set a date as yet, but from our point of view it can be right away," Mr. Netanyahu said. "We want to engage in a real effort to close this agreement."

Washington has been trying to break a 16-month-old deadlock by getting the two sides to agree that Israel would hand over another 13 percent of West Bank land in return for Palestinian security commitments.

Mr. Netanyahu shrugged off criticism of himself from the Arab world, the West and at home, saying: "I don't care if I am maligned or demonized and so on, because I was elected to do the right thing."

"We want life, we want security, we

want a real peace," he added.

The Israeli leader declined to predict how long it would take for Israel and the Palestinians to reach an accord or whether it could be completed in time for a parliamentary recess near the end of July, as some had predicted.

Asked who Mr. Mordechai would meet, Mr. Netanyahu said it could be Abu Mazen, a Palestinian official. Mr. Arafat or someone else.

Mr. Netanyahu said Palestinians still had to show clear evidence that they were fighting "terrorism" and that they had fulfilled a promise to annul their covenant calling for Israel's destruction.

Mr. Arafat's adviser, Nabil Abu Radda, said, "In principle we are ready for meetings that are based on Israel's agreement on the American initiative."

ECONOMY: U.S. Industrial Production in June Drops Sharply

Continued from Page 1

with a record increase in stocks of unsold goods that accounted for nearly one-third of the first quarter's growth.

The inventories report confirmed the slowdown and indicated it was more abrupt than expected. As its impact spreads, analysts said, job creation will slow, the unemployment rate will rise and interest rates may decline. A slower economy also could further restrain growth in corporate profits, which have already been easing off a double-digit pace.

For the moment, there is little indication of an impact on employment. Indeed, first-time claims for unemployment compensation plummeted by 58,000 in a week that "showed no obvious impact from the strike" against GM, the Labor Department said Thursday.

Government figures showed a seasonally adjusted fall in claims to 336,000 for the week ended July 11 compared with 394,000 for the previous week. Wall Street economists had forecast 364,000 new applications, according to Reuters.

None of the analysts said a recession is at hand, and all of them expect a resumption of stronger growth after a period of several quarters in which the economy regains its balance. Meanwhile, a period of slower growth should reduce the concern of Federal Reserve officials who have been worried that the nation's extremely tight labor markets would sooner or later cause inflation to accelerate.

But the drag on U.S. production from a mountain of unsold goods and a widening trade deficit may have been enough to cause a drop in economic output, as measured by the inflation-adjusted gross domestic product in the April-to-June period. GDP is the value of all goods and services produced.

The Commerce Department will report its first estimate of second-quarter GDP on July 31. Inventory figures are among the various economic data used to calculate the estimate.

The sharp slowdown in GDP occurred despite continued strong increases in consumer spending, which has been one of the driving forces in the economic expansion that began more than seven years ago. The turmoil in Asia, including recessions throughout the region and a large increase in the value of the dollar compared with many Asian currencies,

has caused a sharp drop in U.S. exports and boosted imports from the region.

"In the first quarter, the growth we were getting was really an aberration," said James Glassman, an economist at Chase Manhattan Bank in New York. "The shock from Asia was there but we weren't feeling it," he said, because production continued to rise with goods going into inventories rather than being sold.

Earlier, many economists had estimated second-quarter GDP gains at a 2 percent to 2.5 percent rate followed by

increases at a 1.5 percent to 2 percent rate in the second half of this year.

Those forecasts also included some increase in the unusually low unemployment rate in the United States. That rate rose to 4.5 percent last month from 4.3 percent in April and May. The more abrupt slowing in inventories could cause joblessness to rise more quickly, but not necessarily to a higher level than was expected earlier, analysts said. But a period of very slow growth could also hurt corporate profits and precipitate a decline in stock prices.

BANK: Fraud Inquiry at Global Lender

Continued from Page 1

believes that Mr. Rodriguez took from a contractor on a water utility project in Algeria. The bank contends in court papers that the contractor was a former neighbor of Mr. Rodriguez and that the work was never satisfactorily completed.

Mr. Rodriguez, who retired during the bank's internal investigation late last year, denied the bank's allegations in court filings. His attorney did not return calls asking for comment.

Headquartered two blocks from the White House, the World Bank is a major force in global economic development. The bank pours billions of dollars into emerging countries each year for projects ranging from infant feeding programs to gigantic infrastructure improvements.

"If our original suggestion was true that there was a ton of corruption going on in our borrowing countries, we couldn't assume that the bank was a pristine island in the middle of this," said Mark Malloch Brown, the World Bank's vice president for external affairs. "So the question is, 'Are we clean?' and it's not clear."

Mr. Wolfensohn said: "Other formal investigations are under way, and several other allegations are being reviewed. Some of these cases may result in legal action taken by the bank in addition to appropriate disciplinary measures."

A senior bank official said that in addition to Mr. Rodriguez, two other bank officials had been notified that they were under investigation and had been suspended while the probe was under way.

Questions about program inefficien-

cies and the many possibilities for corruption in dealing with emerging nations have long surrounded World Bank programs. Mr. Wolfensohn, an Australian-born former investment banker who took over as World Bank president in 1995, has talked openly about these issues and encouraged his employees to come forward with concerns.

On Wednesday, he said the bank was planning to establish a hot line within the next few weeks for staff members to report possible irregularities.

The bank's office of professional ethics is working in collaboration with the fraud team. Mr. Wolfensohn said the bank's regular outside auditors, Deloitte & Touche LLP, also had been alerted.

The senior bank official who asked not to be named said one of the investigations involved possible misuse of a "trust fund" set up by the Japanese government to subsidize bank staff administrative expenses. Klaus Bergman, chief of media relations at the bank, declined to comment.

In Tokyo, the Asahi Shimbun reported that two Japanese employees of the World Bank were under investigation and had been placed on administrative leave, with one of them resigning, according to Reuters.

Mr. Wolfensohn made a speech two years ago at the World Bank's annual meeting concerning corruption, and since then scrutiny has increased. Tips about corrupt bank officials have come from bank colleagues, government officials in countries with bank-funded projects and consultants, Mr. Malloch Brown said.

"We lend over \$20 billion a year, so the allegations have come from a wide variety of sources," he said. "We've just been much more rigorous in pursuing them and tracking them out."

World Bank officials cautioned that the investigations were just beginning and that their scope was not yet clear.

In the lawsuit against Mr. Rodriguez, the amount of money cited — a \$434,000 contract — was relatively small. Mr. Rodriguez was a principal sanitary engineer at the bank whose duties included oversight of contracts and projects relating to water utilities in Algeria.

Bank officials declined to comment on the pending case.

DISSENT: Open Letter Challenges Chinese Authorities to Release Those Who Tried to Register a New Party

Continued from Page 1

domestic human rights monitoring bulletin, to dissidents and journalists in China over the last year, despite having his equipment seized by police. "One more time wouldn't matter one bit."

Mr. Qin said that China's constitution protects a wide array of rights, and that the authorities should abide by it, not the laws they have written that contradict the constitution.

"In China today, the laws are in conflict with the spirit of the constitution," Mr. Qin said. "For example, the constitution says there is freedom of speech, freedom of assembly, freedom of association. Freedom of association includes creating parties. The citizens must have the right to freely form parties."

But Chinese law presents dissidents with a dilemma. It is illegal to form a political party without registering it, but the law provides no procedures for re-

gistering a new political party.

In addition to the petition campaign, the signatories have also begun organizing activities beyond the symbolic show of support.

One of the signatories, Wang Peijian, studied law at Beijing University, where Wang Youcai, one of the arrested founders of the China Democratic Party, went to graduate school. He has helped Mr. Wang's wife find two lawyers, also through the network of Beijing Uni-

versity alumni, to represent him, after being turned away by several prominent lawyers who said they were "too busy" to take the sensitive case. Mr. Wang said he was attempting to register a new political party.

"Their activities were beyond reproach, and didn't violate the law," Mr. Wang said.

Hu Jiangxia, wife of the party founder,

Wang Youcai, said she has been getting many calls offering financial and legal support since her husband's arrest. For now, she said she will try to handle the financial burden on her own, although several of the other men who were arrested are from poorer families.

"For some problems, if I can handle them on my own, I'll try to do it," she said. "On others, like finding a lawyer, the results will be better with help."

SMUGGLE: Beijing Drive Aims at Party and Military Leaders

Continued from Page 1

blocked investigations.

As with any national campaign, there may be several political elements at work. Yet decision-making in China remains so opaque that it is impossible to know if the driving force behind this

campaign is Mr. Jiang's desire to flex his muscles over the military, or to buttress his reputation as a corruption-fighter.

There may also be financial concerns. Prime Minister Zhu Rongji argued that it was necessary to reverse the drastic drop in tax collection at a time when the government is undertaking a massive

spending program to spur economic growth.

"Carrying out the anti-smuggling struggle throughout the whole country with the speed of lightning is related to achieving this year's economic growth target," Mr. Zhu told the meeting.

Increasingly rampant smuggling activities have already caused serious harm to many aspects of China's economy, society and politics.

Mr. Zhu claimed that all party and government offices and law enforcement agencies would be required to cut ties with affiliate companies in an effort to root out official protection of smuggling.

Yet in China's complex morass of companies that are owned and partly owned by the government, that will be a gargantuan task.

Fines and proceeds from confiscated goods, Mr. Zhu said, will be divided in a formula: 50 percent will be used to equip anti-smuggling police and as rewards to individuals and departments who help, 20 percent will fund anti-smuggling efforts by provincial governments, and the remaining 30 percent will be absorbed by the central government.

Oddly, a People's Daily account of the meeting specified the attendance of leaders of the Xinjiang Production and Construction Military Group, the only organization to be named. Xinjiang, a vast area in China's northwest that borders Russia and Kazakhstan, is a center for smuggling, and mentioning the paramilitary group suggested that it plays a role in smuggling itself.

Diesel oil has been flowing into China from Asian refineries since Beijing implemented a ban on legal imports in February.

Smuggled oil is much cheaper than domestically produced oil, whose price is set artificially high by the government, and illegal sales have severely hurt domestic refineries.



GOING HOME — British soldiers from the First Battalion of the King's Regiment boarding a plane on Thursday, leaving Northern Ireland after helping the local police during the recent disorders.

Britain Welcomes 'Signals' by IRA On Yielding Guns

Reuters

LONDON — Britain welcomed Thursday what it called "signals" that the Irish Republican Army was close to giving up some of its weapons as part of the Northern Ireland settlement.

But a spokesman for Prime Minister Tony Blair denied newspaper reports that said arrangements for a handover had already been made.

"There have been signals that we welcome," he said when asked about the IRA. "There are signals that they are aware of the importance of decommissioning."

"They accept it is part of the agreement. How it will happen is not yet clear. It is wrong to say venues have been identified."

The agreement reached between Northern Ireland's main political parties in April stated that guerrilla groups should give up their weapons in exchange for freeing prisoners.

The British and Irish governments hope the agreement will end 30 years of violence in Northern Ireland between pro-British Protestants and Catholic nationalists, who want to be ruled by Dublin.

The Express newspaper said on Thursday there was a growing belief that the IRA would hand over a quantity of guns and bombs before the Northern Ireland assembly meets in September to begin selecting the 10-man executive.

But John de Chastelain, head of the independent commission on decommissioning, cautioned against expectations during the summer.

See our International Franchises every Wednesday in The InternetMarket

U.S. Banks Pad Their Assets in a Rush to Lend

By Timothy L. O'Brien
New York Times Service

NEW YORK — Last year, Chase Manhattan, the largest U.S. bank, lent about \$890 million to an Australian utility, row Yang B. Typically, to avoid putting too many eggs in one basket, banks try to get other banks to assume part of the risk by taking portions of big loans.

But Chase gave Loy Yang such generous terms — a maturity of at least 15 years and a rock-bottom interest rate — that it found few takers. And now, with the Australian economy squeezed by Asia's financial crisis, most of the Loy Yang loan is gathering dust on Chase's books.

Neither Chase nor Loy Yang said the loan was troubled. Chase said it was saddled with few loans that it had been

unable to divvy up with other banks and that it had ample resources to protect it from loan losses.

But bountiful lending like this, whether to overseas customers, builders in booming hotel markets like Las Vegas or nuts-and-bolts operators like heavy manufacturers, still gives some bankers and U.S. regulators the jitters. They have criticized free-wheeling practices in certain markets, including the trillion-dollar business of splitting up big loans, a business known as syndicated lending that is dominated by Chase, Citicorp, J.P. Morgan, BankAmerica, NationsBank and other big banks.

The main concern is that American banks are lending too freely, either to rack up one-time fees or to generate other business.

Banks can do all sorts of things to keep the lending mill churning. They

can lend at artificially low interest rates, perhaps too low to reward them for their risks, and they can stretch out repayment schedules, leaving themselves exposed to unforeseen economic turmoil.

In addition, covenants — the standards borrowers must meet to avoid having the bank demand repayment — can be loosened or ignored entirely.

Some liken the zealotry to the heady days of the 1980s, when banks chased real-estate loans with all the determination and earnestness of lemmings.

"Instead of getting better, it just gets crazier and crazier," said Richard Kovacevich, chief executive of Norwest Corp., a big Minneapolis bank. "The basics of banking are just being filtered away in order to grow."

John Medlin, former chairman of Wachovia Corp., a bank in Winston-

Salem, North Carolina, said in a December speech that lending practices were the worst he had seen in nearly four decades.

A letter the Federal Reserve sent to banks on June 23 offered a rare glimpse into how some banks now do business. The Fed, while noting that there is still little evidence that problem loans are on the rise, said it was concerned that lending standards were slipping, presenting dangers should the economy stall and borrowers have trouble paying what they owe.

The Fed said that only 20 to 30 percent of several hundred loans it reviewed earlier this year had been thoroughly screened by banks to see how well they would hold up during a slump.

"That's absolutely a startling num-

See LENDERS, Page 17

Thinking Ahead / Commentary

Bailing Out Russia for Nuclear Reasons: That's Good

By Reginald Dale
International Herald Tribune

WASHINGTON — "They only got the money because they've got the nukes." So say some of the more cynical critics of this week's deal in which Moscow is to be lent billions more dollars by the international financial community — and they are basically right.

What is wrong is to suppose that the fact that Russia is a major and potentially unstable nuclear power is somehow a bad reason for bailing it out. The truth is that it is the best reason for doing so.

If the bailout were purely a matter of economics, it would make much less sense. Other, less important countries have faced the same risk of precipitous currency devaluation and hyperinflation that Russia does today and have survived without the world rushing to their aid.

In Russia's case, however, the United States and its allies are not going to sit idly by when a looming economic and financial crisis appears to threaten the country's entire future as a free-market democracy. And they are right. Even if the risk of social and political

upheaval is exaggerated, it is not a risk worth taking.

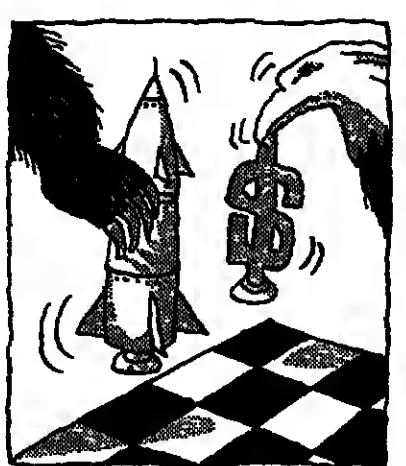
Ultimately, the decision to rescue Russia must be — and was — made on political and strategic grounds.

It is not in the world's or America's interest to risk Moscow's intercontinental ballistic missiles falling into the wrong hands or a broken and embittered Russia again becoming a threat to its neighbors.

The result is another spectacular refutation of those who claim that untrammeled, American-style, free-market ideology reigns supreme in the era of economic globalization. On the contrary — as with the earlier bailout of Mexico, and now with South Korea, Indonesia and Thailand — the aim of the Russian rescue operation is precisely to impede the free play of market forces.

If obedience to the gods of the market were the only consideration, Russia would be left alone to sink or swim. A huge drop in the value of the ruble would not only be tolerated, but positively welcomed as a sign that the laws of supply and demand were working properly.

With no official funds available, the Russians would have to choose be-



tween either poverty and chaos or submission to the demands of private investors. Those would undoubtedly be far more rigorous, and much harder to evade, than the conditions for the latest bailout set by the International Monetary Fund.

Of course, the Russians, and the financial markets, can pretty sure that that is not going to happen. Which means that the Russians are not going to feel too constrained by the IMF's insistence on budgetary austerity and

economic reforms.

As the world's greatest chess masters, the Russians know how to play the game. If they do a little to meet the IMF's conditions, and promise a lot, the money will keep coming. If the flow is sometimes interrupted to show the Fund's disapproval, as it has been in the past, they know the right moves to make to get it to resume.

But Russia is still nowhere near enacting the far-reaching reforms necessary to lay the foundations for a successful market economy, which include establishing the rule of law and bringing criminality and corruption under control. It is not even certain that President Boris Yeltsin or the Communist-dominated lower house of Parliament, the Duma, understands the need to do so.

The best hope is that the bailout stabilizes the situation long enough for the new, reformist-inclined government under Sergei Kiriyenko to embark on serious change. There can be no guarantee that will happen. But it is still worth putting up a good few billion dollars to reduce the danger that Russia might revert to rogue-state status, oukases and all.

E-mail address:
thinkahead@washpost.com

Report Says GM Lags Behind Rivals in Productivity

By Warren Brown
Washington Post Service

DETROIT — General Motors Corp. is suffering through its worst strike in nearly three decades because it says it must win increased productivity from its workers. A new report provided ammunition for the company's case by showing how far the biggest U.S. automaker trails its North American rivals.

GM loses an average of \$104 per vehicle on every car and truck it produces in North America, compared with an average of \$1,520 earned by Ford Motor Co. and \$1,336 earned by Chrysler Corp., according to an annual report published Wednesday by Harbour and Associates Inc., an independent management consulting and automotive research firm in Troy, Michigan.

Looked at another way, GM would have to cut its annual labor and benefit costs by an average of \$4,439 per vehicle to match North American market GM's most efficient producer, Nissan Motor Co. in Smyrna, Tennessee.

GM also would have to eliminate 54,915 workers from its production payroll, according to the Harbour report.

The Harbour report is anxiously awaited every year by auto industry executives who want to see how their companies stack up against rivals in the crucial North American market. GM officials made little effort to put a gloss on the report, acknowledging that it shows the company needs to improve its performance.

Ford executives were ecstatic with the report, handing out laudatory press releases at a news conference Thursday.



A worker closing a ramp at a functioning GM plant in Oshawa, Canada.

The report showed that their company beat the domestic competition in 1997 assembly plant productivity, posting four of the top 10 car assembly plants and eight of the top 10 truck assembly plants.

Still, while the other Big Three automakers are more efficient than GM, they also fared poorly compared with Nissan. The report said Ford would have to reduce its average costs per vehicle by \$1,332 and eliminate 16,478 "excess workers" to become competitive with Nissan on a manufacturing basis; and it said Chrysler would have to trim \$2,064

in costs per vehicle and scrap 25,527 jobs.

"Who is losing here?" asked Ron Harbour, president of Harbour and Associates. "GM is losing and the UAW is losing. The American people are losing." He said the majority of workers at U.S. plants owned by Nissan, Toyota Motor Corp. and Honda Motor Co. are Americans, but not members of the United Auto Workers union.

The GM strikes began when workers walked off their jobs June 5. The United Auto Workers union said the company

has failed to honor promises to invest more in the plant; the company said it will not make more investment unless work rules are changed.

According to Mr. Harbour, GM's stamping production rate per worker — pieces per worker — is the lowest in North America at 174 pieces per worker, compared with 215 at Ford, 238 at Chrysler, 228 at Nissan, and 467 at Toyota's manufacturing facility in Georgetown, Kentucky.

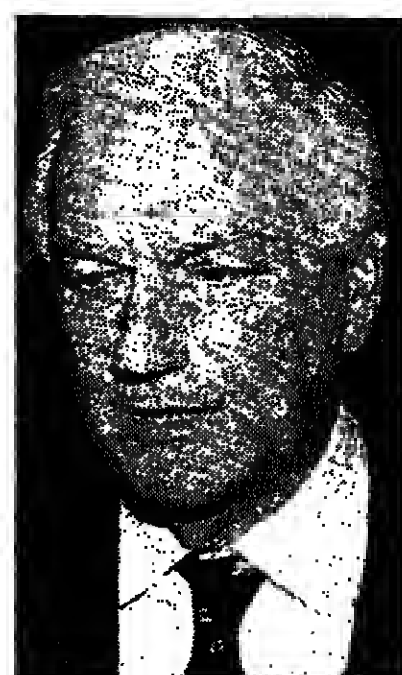
Responding to the report, a union official who asked not to be identified said: "GM has been cutting and cutting for years. We keep making improvement after improvement in productivity and efficiency. But it isn't matched by GM in terms of better equipment and better designs. That is why we are on strike, because we cannot improve productivity and sales by ourselves."

Union officials also noted that although Nissan may be the most efficient automaker, its cars are some of the lowest-selling in North America. Nissan's sales have fallen about 25 percent in the first half of this year compared with the same period last year.

Strike Vote Planned at Saturn

Factory workers at Saturn, a unit of GM, plans to vote Sunday on whether to give their union leaders permission to call a strike against the parent company, the Associated Press reported from Spring Hill, Tennessee.

The move comes four months after the Tennessee plant workers voted to keep a unique contract with GM. But fears of job cuts and growing differences over pay arrangements have changed the view of union leaders.



Paolo Fresco, who is preparing to take over as chairman of Fiat SpA.



Heinrich von Pierer, chief executive at Siemens, in 1996 photo.

European Carmakers Gear Up for Change

American Style Comes to Fiat Siemens Plans To Restructure

By Alan Friedman
International Herald Tribune

TURIN — The incoming chairman of Fiat SpA, in his first meeting with the press, offered a preview Thursday of what appears to be an unusually American corporate style for the biggest private-sector company in Italy.

Paolo Fresco, the vice chairman of General Electric Co. of the United States who was named last month to succeed Cesare Romiti as Fiat's successor, stressed repeatedly his belief in openness, in creating value and in protecting the interests not just of the Agnelli family, the largest Fiat shareholder, but also of minority shareholders.

"Transparency," Mr. Fresco said, "is the only way I know how to work, and I have had a clear signal from the main shareholder that my mandate is to serve all shareholders."

Mr. Fresco also warned that European industry had not yet seen "the full consequences of the Asian crisis." The European automobile sector will face a form of "dumping," as Asian car makers export their way out of recession on the back of devalued currencies, he said, singling out manufacturers in countries such as South Korea and Thailand.

Mr. Fresco stressed that aside from such competition, Fiat would also have to weather the economic shock waves of the Asian crisis to some of its key emerging markets, such as Brazil and Russia.

"Taken together," Mr. Fresco said, "this presents a very difficult situation."

"In my view, European and U.S. companies will suffer greatly and this worries me very much."

Although Mr. Fresco, 65, said he was less concerned about Fiat's activities in India, which he termed "the least affected market in Asia," he conceded that "the crisis in Brazil, because of repercussions from Asia, is proving longer than expected." And the turmoil in Russia, a key target market for Fiat, means that "we will have to evaluate the pace of our investments there, and we will see if we lose one or two years in Russia because of the crisis."

The new Fiat chief, who will take over full-time in October, meanwhile acknowledged that the end of Italian government incentives for car buyers on July 31 would affect the company's domestic car sales. "We should expect a drop in orders," he said.

Mr. Fresco also conceded that he was not impressed by Fiat's low profit margins in its core car business, but he

promised of a new corporate culture and a "rigorous pruning" of problem businesses at traditionally bound Siemens AG sent the company's shares surging 18 percent Thursday.

Long seen as a lumbering corporate elephant unwilling to undergo the sort of radical restructuring that has rescued other major German companies in recent years, Siemens is now braced for a "fundamental turnaround," said Chief Executive Heinrich von Pierer. Investors have frequently have criticized Mr. von Pierer for his inability to reorganize the sprawling conglomerate that is Germany's biggest non-government employer.

The shares, which have lagged the overall German market rally by 40 percent this year, gained 19.40 Deutsche marks in a single day to close at a record 130 DM (\$72.24).

Mr. von Pierer's remarks helped investors push aside disappointing nine-month results. Siemens posted a profit of 1.78 billion DM in the nine months to June 30. While that was up 5 percent from a year ago, it was well short of the 15 percent to 20 percent increase the company had led investors to expect at the start of the year.

In a profit warning, Mr. von Pierer conceded that Siemens will fail to meet its earnings target for the financial year that ends Sept. 30. Instead of a full-year net profit of 3 billion DM, as originally forecast, the company now expects to improve only modestly on last year's 2.49 billion DM result.

"I am completely dissatisfied with our earnings," Mr. von Pierer said.

Because Siemens competes in such rapidly changing sectors as computers and communications, analysts say the company's tardiness to adapt amounts to a serious setback that Mr. von Pierer must now belatedly address.

"Siemens was one of the great exceptions in the hard-core restructuring of German industry," said Juergen Roethlis, analyst in Frankfurt at the B. Metzler & Co. Bank. "One had the impression that management did not understand that the company had businesses that needed to be restructured all the time."

Investors were betting Thursday that Germany's third-largest industrial group finally recognized the need to adapt to the global economy. But analysts warned that the process would be slow.

"Von Pierer is about as much of an establishment German industrialist as you can find," said Mark Davies Jones, an analyst in London at Salomon Smith Barney. "He is not one to rock the boat."

Management's biggest stumbling block, Mr. Jones said, is the company's massive payroll of nearly 200,000 in Germany and over 400,000 worldwide, which has formed a lobby of internal resistance to change. "It is clearly extremely controversial to restructure quickly," Mr. Jones said.

But Mr. von Pierer outlined a 10-point restructuring program on Thursday that includes selling off problem businesses or floating them on the stock exchange. The plan comes a day after Siemens announced it would sell its power cable operations to Pirelli SpA of Italy for 500 million DM.

The company also said it would open its books for the first time to scrutiny with a switch to conform to transparent U.S.-style accounting principles. That would clear the way for the company to list its shares on the New York Stock Exchange.

The company was bludgeoned in its assessment of its shortcomings. It has "acute difficulties" in its operations in semiconductor, power-station construction, transportation technology and its mobile phone and retail communications units.

Some analysts remained skeptical that Siemens could adapt quickly enough without a change of management.

See FIAT, Page 17

CURRENCY & INTEREST RATES

Cross-Rates July 16									
	\$	£	DM	FF	Yen	Sc	Sw	DK	Other
Australia	1.08	0.69	0.62	0.05	0.007	0.000	0.000	0.000	0.000
Canada	0.71	0.45	0.41	0.04	0.005	0.000	0.000	0.000	0.000
France	1.36	0.84	1.00	1.00	0.016	0.000	0.000	0.000	0.000
Germany	1.00	0.63	0.75	0.08	0.010	0.000	0.000	0.000	0.000
Italy	1.36	0.84	1.00	1.00	0.016	0.000	0.000	0.000	0.000
Japan	1.00	0.007	0.007	0.000	0.000	0.000	0.000	0.000	0.000
Netherlands	1.36	0.84	1.00	1.00	0.016	0.000	0.000	0.000	0.000
Spain	1.36	0.84	1.00	1.00	0.016	0.000	0.000	0.000	0.000
Sweden	1.36	0.84	1.00	1.00	0.016	0.000	0.000	0.000	0.000
Switzerland	1.36	0.84	1.00	1.00	0.016	0.000	0.000	0.000	0.000
UK	1.00	1.00	1.00	1.00	0.016	0.000	0.000	0.000	0.000
US Dollar	1.00	0.71	0.75	0.08	0.010	0.000	0.000	0.000	0.000
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

Libor-Libor Rates July 16									
	1-month	3-month	6-month	9-month	12-month	18-month	24-month	36-month	48-month
1-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
3-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
6-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
9-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
12-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
18-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
24-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
36-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
48-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00

Key Money Rates									
	1-month	3-month	6-month	9-month	12-month	18-month	24-month	36-month	48-month
1-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
3-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
6-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
9-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
12-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
18-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
24-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
36-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
48-month	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00

Shell Halts Peru Gas Project

Firm Says Government's Terms Leave Plan Unprofitable

LIMA — The Royal Dutch/Shell Group and Mobil Corp. have pulled out of Peru's \$3 billion Camisea natural-gas project, saying government conditions made the jungle project unprofitable.

The unexpected decision is a setback for Peru, because Camisea was hailed as the largest foreign investment project in the country's history.

Wednesday was the deadline for Shell and Mobil — two of the world's biggest energy companies — to reach a final decision on the project. The two companies, which signed the Camisea license agreement in 1996 and had been studying it ever since, had already invested \$250 million in the project.

Last week, President Alberto Fujimori of Peru — who once referred to the Camisea accord as "the contract of the century" — said he expected Shell and Mobil to go ahead with the project despite disagreements.

An analyst at Peru's largest bank, Banco de Credito, said: "The effects of this will be felt everywhere — in the stock market, foreign exchange and the economy in general."

For months, Shell and Mobil had pressed the government to give them gas distribution rights and lift pricing restrictions in the original contract. They contended both were needed to make the project profitable.

The government, however, stood its ground, arguing it wanted to avoid creation of an extraction-to-distribution monopoly in Peru's gas industry as well as high market-set gas prices.

For Shell, which spends more than \$15 billion a year on capital investment, the Camisea project was one of a number of large long-term projects on the drawing board.

Tony Alves, an analyst with Henderson Crosthwaite, said that the Peru project represented less than 5 percent of Shell's goal to boost gas output to 12 billion cubic feet of gas a day by 2001 from 8 billion cubic feet in 1996.

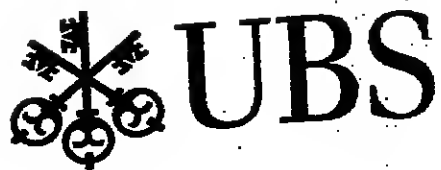
[illegible]

For a bank to help its clients take advantage of change, it must change itself.

Union Bank of Switzerland and Swiss Bank Corporation have joined to form a bank with assets under management of more than USD 1000 billion, ranking among the top financial services firms in

the world. In a fast-changing world, now we can better help our clients seize the opportunities that change presents.

Welcome to the new UBS AG.



EUROPE

Sales Tax, Key to Moscow Rescue, Is Passed

MOSCOW — Russia's lower house of Parliament approved a key element of the government's economic crisis package last Thursday, approving on third reading a sales tax that would raise \$6.5 billion for depleted public coffers.

Deputies in the State Duma voted by 243 in favor to 92 against, with three abstaining for the tax, which Parliament had already twice rejected in a blow to government hopes of forcing its emergency package through.

Parliament also voted to extend its extraordinary session through Thursday evening until it has considered all outstanding elements in the crisis package, which the government must enact to secure payout on a \$22.6 billion rescue deal led by the IMF.

The passage of the sales tax is a key condition for the loans. The IMF has said it will approve the loans at a board meeting Monday if the Duma approved the government program.

Under the new sales tax law, regions can impose a sales tax of up to

5 percent on sales. The Duma amended the government's proposal to say the tax would apply only to luxury items, such as compact disk players, video recorders and imported furniture.

"This is an indirect tax that won't have an effect on industry," said Alexander Zhukov, head of the Duma's budget committee.

"This is a tax on consumers — those who use more will pay more."

Forty percent of revenues received will go to regional budgets and 60 percent to local authority budgets.

The government is counting on accruing some 40.4 billion rubles (\$6.5 billion) from the new tax for

depleted regional finances. Earlier in the day, Parliament also approved on first reading another key element of the government's tax reform, an overhaul of personal income tax including the scrapping of exemptions, expected to bring in another 18.3 billion rubles.

The Duma also approved in the final reading a single tax on small business, which is expected to increase tax collection and stem tax evasion by small businesses by simplifying filing procedures.

The Duma is scheduled to start a monthlong recess after Thursday's session. President Boris Yeltsin has said he may decree any pieces of the program that the Duma fails to pass. (AFP, Bloomberg)

German Growth Easing; Asia Effect Is Subdued

FRANKFURT — Economic growth in Germany has shown signs of cooling in the second quarter after a boom at the start of the year, the central bank said Thursday, while inflation has remained absent.

German manufacturing orders, output and domestic demand stagnated in April and May after strong growth in the first quarter of 1998, the Bundesbank said in its monthly report. Still, the Asian crisis has had only a limited impact on the pace of German expansion, offset by stronger demand elsewhere.

Manufacturing orders in April and May were up only slightly compared with the first three months, when they were bolstered in part by a string of large orders, the bank said.

But orders remained up sharply from a year earlier. In April and May together, they were up almost 5.5 percent year-on-year, compared with growth of about 7.7 percent in the first quarter.

Germany's overall exports have suffered very little because of the Asian crisis, and stronger demand for German products within Europe, the central bank said.

Although exports to Southeast Asia fell about 9.5 percent last year and then dropped about 6 percent in the first quarter of 1998 on a seasonally adjusted basis, this was more than offset by increased demand in Europe. The percentage of German exports going to Southeast Asia fell by a full percentage point, to 4.5 percent in spring 1998 from 5.5 percent in summer 1997, the Bundesbank said.

Consumer prices have "clearly calmed" the central bank said. In June, consumer prices rose 0.1 percent from the previous month and 1.2 percent from a year earlier, close to a 10-year low.

Furthermore, the labor market situation has "brightened," the bank said, with unemployment in June below 4.3 million people, about 250,000 below the level of December 1997. (Bloomberg, Reuters)

C&W Will Market New Shares To Cover Cost of MCI Internet

LONDON — Cable & Wireless PLC said Thursday it would sell new shares to raise \$887 million (\$1.5 billion) after expenses to pay for most of its acquisition of MCI Communications Corp.'s Internet business.

The purchase for \$1.75 billion in cash was cleared Wednesday after the U.S. Justice Department approved WorldCom Inc.'s acquisition.

C&W plans to sell 112 million shares at 800 pence, representing 5 percent of its total shares.

The purchase, which C&W said would be "slightly earnings dilutive" for the first 18 months and earnings enhancing thereafter, will make the company the world's second-biggest Internet carrier after WorldCom Inc.

It will also establish it in the U.S. market with \$375 million expected in sales this year, 1,300 wholesale customers that resell Internet ser-

vices to others and 3,300 corporate customers that use MCI for direct Internet access.

"The price looks pretty good; it looks like a fairly normal price for an Internet business," said Mark Lambert, an analyst at Merrill Lynch, backing C&W's claim that it paid a "fair" price for MCI's Internet business.

C&W said it paid 2.7 times revenues compared with the average three to six times revenues other companies have paid for Internet properties.

C&W shares fell from 836p to 814p.

"The Internet is the future of communications," said Richard Brown, chief executive of C&W.

The \$1.75 billion acquisition has turned Cable & Wireless into a top U.S. Internet player overnight, but market attention was turning already on Thursday to British Telecom's PLC's trans-Atlantic plans. (Bloomberg, Reuters)

Charge Cuts Volvo Profit

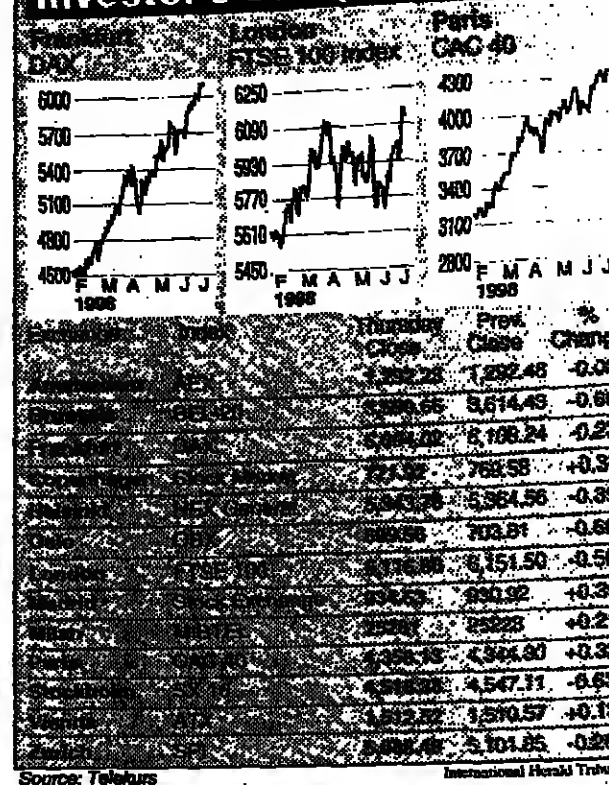
STOCKHOLM — Volvo AB on Thursday reported a pretax profit of 6.11 billion kronor (\$765 million) for the first half, 23 percent lower than a year earlier.

Volvo said profit was cut by a 910 million kronor charge for restructuring after the acquisition of the construction equipment unit of Samsung Heavy Industries of South Korea.

Volvo's sales increased to 101.7 billion kronor, after 89 billion kronor a year earlier. North American sales rose by 26 percent and European by 13 percent. That more than compensated for a decline in Asia, the company said.

Volvo said it would exercise an option to buy 10 percent of the engine maker, Deutz AG, from Deutsche Bank AG. (AP, Reuters)

Investor's Europe



Very briefly:

- W.H. Smith Group PLC, Britain's biggest bookseller, said profit before exceptional items and tax in May 31 rose to a record £143 million (£234 million), while total group sales rose 6 percent to £2.1 billion.
- The Dutch jobless rate fell in June to 4.2 percent, its lowest level in more than 17 years, the Central Bureau for Statistics said. The average number of unemployed in the three months through June fell to 288,000 from 297,000 in the previous three-month period.
- Daimler-Benz AG is to convert its German bearer shares and American Depositary Receipts to registered shares once shareholders approve its \$41 billion takeover of Chrysler Corp.
- Colt Telecom Group PLC, a U.K. telecommunications company, agreed to buy Imaginet, France's biggest independent Internet business service provider, for 120 million francs (\$20 million) in cash and shares.
- The German Federal Cartel Office will

- block Kirch Group's plan to gain a majority of SAT-1, a private broadcaster, unless Kirch can prove that the move, coupled with a larger stake in the pay-TV channel Premiere, would not let it dominate the German television market.
- Britain's public sector showed a deficit of £6.148 billion (\$10 billion) in June, which followed a deficit of £2.509 billion in May.
- Renault SA, France's second-biggest carmaker, said its worldwide car and utility vehicle sales rose 16.8 percent in the first half of the year from the same period last year to 1.06 million.
- AMB Aachen & Muenchener Beteiligungs AG, Germany's third-largest insurer, said it sold Dutch unit Rodutch Holdings BV to Assurances Generales de France for 1.35 billion Deutsche marks (\$750 million).
- Finland's unemployment rate fell to 12 percent in June, with 323,000 Finns out of work, from 14.6 percent in May, Statistics Finland reported. (Reuters, Bloomberg, AFP)

WORLD STOCK MARKETS

Thursday, July 16
Daily prices in local currencies.

High Low Close Prev.

Amsterdam

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Kuala Lumpur

High Low Close Prev.

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

London

High Low Close Prev.

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Oslo

High Low Close Prev.

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

Amst-AMRO

support

support

ASIA/PACIFIC

IMF Resumes Loans To Support Indonesia

Bloomberg News
JAKARTA—The International Monetary Fund resumed lending to Indonesia on Thursday, approving a \$1 billion disbursement for the country's battered economy and promising an additional \$6 billion by March.

Despite the additional aid, the Indonesian government published a revised budget, projecting that the economy will shrink by 12 percent and inflation will accelerate to a rate of 66 percent for this fiscal year.

The original budget, announced in January, had forecast zero economic growth and inflation of 20 percent.

The Fund last released funds to Indonesia on May 5, before riots devastated Jakarta and forced President Suharto to resign.

The latest \$6 billion in commitments from donors—including the World Bank, the Asian Development Bank, China and Australia—follows the \$43 billion bailout arranged by the Fund last year.

Indonesia desperately needs the money to offset a budget deficit that is widening because of growing subsidies for food, medicine and other basic items.

The coordinating minister for the economy, Ghozali Kartasasmita, welcomed the fresh funding pledges, adding that the country required about \$10 billion or \$11 billion to meet the budget deficit and a balance-of-payments crunch.

He said the pledges of new loans included the rescheduling of debt, but added that some fresh money will also be forthcoming.

Indonesia has agreed with some of its lenders to reschedule principal repayments on some of its \$34.4 billion in foreign debt, Mr. Ghozali said.

Alassane Ouattara, the Fund's acting managing director, said the Fund credited Indonesian authorities "for good policy implementation in very difficult circumstances" to prevent a further economic decline.

Investors were heartened by evidence that the two-month-old government of President B.J. Habibie would be able to secure the aid it needed to feed the poor and limit a swelling budget deficit.

The Jakarta composite stock index rose by 1.4 percent, or 6.43 points, to 473.77. The rupiah surged by as much as 14 percent to a five-week high, with the dollar closing at

13,750 rupiah, down from 14,350 rupiah.

"The fact that the IMF guys decided to drop this money is a vote of confidence in President Habibie and his government," said Derrick Lee Hong Peng, senior currency analyst at MCM Asia Pacific Ltd.

But Rizal Ramli, head of the private economic consulting group Ekonit and a long-time critic of the government, said: "This money is not sufficient. It's going to be used for social safety net programs, which is good, but it does nothing for the general economy."

Jakarta Limits Media Owners

Agence France-Presse

JAKARTA—Foreigners remain barred from investing in the Indonesian media, from television to radio, the written press and cinema, according to a presidential decree made public Thursday.

The decree dated July 2 sets out which sectors are off-limits to direct non-Indonesian investments.

The decree was "designed to give certainty to investors," the state minister for investment, Hamzah Haz, told the Antara press agency.

Apart from the media, foreign investments are banned in any field dealing with the running and controlling of satellite orbits as well as radio frequencies.

Foreign investors are not allowed to run buses or taxis, exploit uranium resources, manage the aquaculture of fresh water, hold forest concessions or produce certain chemical products, explosives or alcohol.

Presale services are also closed to foreign firms, but outside retailers are still allowed to operate large-scale business such as shopping malls and supermarkets.

However, the decree stipulates that foreign investors can enter the closed sectors indirectly by purchasing shares in Indonesian companies.

The minister added that the government had drawn up a list of measures to attract foreign investment to the country, but he did not elaborate. He said that the full text of the decree would be ready by the end of the month.

Chinese Debate Yuan in Public

By Michael Laris
Washington Post Service

BEIJING—China's economic policymakers and business executives are engaged in an unusual semi-public debate over the future of China's currency, the yuan.

Despite government pledges to the contrary, many exporters in China want it to be devalued, sparking fears that such a move by Asia's new economic giant could deepen this region's economic crisis and hurt economies around the world as well.

China's prime minister and top economic policymaker, Zhu Rongji, has pledged that China's currency will not be devalued. But some of China's exporters, pummeled by numbing exports to Asia, are calling for relief, including devaluation. Devaluing its currency, also called the renminbi, or the "people's money," would help make China's exports cheaper and more competitive, these exporters claim.

Currencies across Asia, from the Japanese yen to the Indonesian rupiah, have dropped dramatically, and much of the region has sunk into recession over the last year. Another round of competitive devaluations would likely be sparked by any Chinese devaluation, many economists believe.

China's export growth has slowed to 7.6 percent in the first six months of 1998, from 21 percent for all of 1997, and some here say

China should not pay the price of keeping Asia afloat. Officials at the Dalian Shipbuilding Industry Corp., for instance, have seen their sales undercut by South Korean companies. "Of course we hope the renminbi is devalued 10 percent," said an official, who spoke on condition of anonymity. "If that happened, our profits would increase 10 percent."

The government-run China

China's economically backward northwest, total sales this year are down 30 percent because of lost markets in Asia, according to Rui Shengrong, a company official. Orders have been canceled, and firms in Vietnam and Thailand with cheaper raw material costs are taking away business.

"Only if China's exports grow 10 percent this year will the whole economy grow 8 percent," he said, citing the government's target for economic growth.

So there should be some preferential policies. A lot of export companies want there to be a devaluation."

But Mr. Rui said the central government had a "wider view," and that exporters were being "one-sided" in their calls for a devaluation because of the possible negative effect on the stability of the Hong Kong dollar. Mr. Rui said a tax rebate, which Beijing recently gave to some export industries to reduce pressure for devaluation, would be a nice consolation.

Mr. Rui's enterprise used to have a 17 percent tax rebate on exports, but that was cut to 9 percent as part of efforts to join the World Trade Organization. Beijing also is considering low-interest loans as an alternative to devaluation.

"The distances between our provinces are as great as they are between your different countries," he said, trying to explain the difficulty the Beijing government has pleasing everyone.

China's policy squabbles are usually hidden under a guise of Communist Party unanimity.

Daily acknowledged in an anti-devaluation editorial last week that such sentiments were common. "Many people at home have reiterated that China's export competitiveness will be severely undermined if China does not devalue its currency," it wrote.

The debate over the yuan's future is unusual because Chinese policy squabbles are so often hidden under a guise of unanimity demanded by the Communist Party. But as the central government continues cutting subsidies to—and selling off—money-losing state enterprises, different and sometimes conflicting interests are arising. One example of the collapse of the Chinese monolith is the exporters now angling for a cheaper yuan.

At the Ningxia Machinery & Chemical Import/Export Corp., in

Japan's Current-Account Surplus Up 62%

Agence France-Presse

TOKYO—Japan's current-account surplus in May soared 62 percent from a year earlier as imports tumbled, the Finance Ministry said Thursday.

Japan's current-account surplus, unadjusted for seasonal factors, totaled 1,409 trillion yen (\$10.03 billion) in May.

The surplus, which measures the flow of goods and services as well as investment income and other monetary transfers, was far higher than market predictions. It marked the 14th consecutive monthly year-on-year increase in the surplus.

Imports dropped 18.1 percent to 2,499 trillion yen, their worst fall

since December 1991.

The falling imports were a clear effect of the recession gripping the world's second-largest economy.

"Considering the current health of the Japanese economy, it is hard to see imports rising to narrow the trade surplus," said Makoto Ishikawa, an economist at the Japan Research Institute.

The Finance Ministry blamed the slump in imports on reduced imports of crude oil. Imports based on the value of crude oil fell 39.3 percent from a year earlier in May.

Despite the falling value of the yen, exports slipped 1.8 percent to 3.91 trillion yen. It was the second straight month that exports had de-

clined, and analysts said this indicated the poor condition of the economy and the depth of the recession. Nevertheless, the Finance Ministry was optimistic.

"The domestic economy is expected to recover after summer due to the government's economic package, and this will work as a factor to pressure the trade surplus," an official said.

Officials have pinned their hopes on a huge stimulus spending plan that was announced in April.

"But the problems of our economy right now are so severe that a single stimulus effect will not make a significant difference to the surplus," Mr. Ishikawa said.

Investor's Asia

Hong Kong Hang Seng	Singapore Straits Times	Tokyo Nikkei 225
12000	1750	17500
11000	1600	16000
10000	1450	14500
9000	1300	13000
8000	1150	11500
7000	1000	10000
1998	1998	1998
Exchange Index	Thursday Close	Prev. Close
Hong Kong Hang Seng	8,596.57	8,456.22
Singapore Straits Times	1,073.97	1,056.01
Sydney All Ordinaries	2,810.60	2,773.90
Tokyo Nikkei 225	16,731.82	16,614.14
Kuala Lumpur Composite	428.99	433.54
Bangkok SET	282.01	273.75
Seoul Composite Index	330.35	313.42
Taipei Stock Market Index	7,924.84	7,875.91
Manila PSE	1,797.00	1,794.06
Jakarta Composite Index	473.77	467.34
Wellington NZSE-40	2,131.72	2,105.99
Bombay Sensitive Index	3,488.77	3,365.72
		% Change
		+1.54
		+1.70
		+1.32
		+0.71
		-0.82
		+3.02
		+5.40
		+0.62
		+0.16
		+1.38
		+1.22
		+3.66

Source: Reuters

Very briefly:

• **Royal Ahold NV**, the Dutch supermarket company, is buying 27 supermarkets through its Malaysian joint venture from Parkson Corp., Malaysia's largest retailer.

• **Read-Rite Corp.**, a California company that makes heads for disk drives, plans to cut 18 percent of its worldwide work force. It will fire all its workers in Malaysia, close the plant and move the operations to plants located in Thailand and the Philippines.

• **PT Perusahaan Listrik Umum Negara**, Indonesia's electricity company, reported a loss of 6.2 trillion rupiah (\$455 million) for the first half of the year. Djeng Marsudi, the president of the company, is expected to lose his job.

• **Liz Claiborne Inc.**, a New-York clothing label, is establishing a joint venture with Jusco Co., the Japanese parent of Takashimaya Inc., the American clothing retailer.

• **Lake Co. Ltd.**, a Japanese consumer credit company, is negotiating the sale of its assets to GE Capital Service Corp., a subsidiary of General Electric Co. of the United States.

• **Japan Airlines Co.**, All Nippon Airways Co. and Japan Air System Co.—Japan's three major airlines—have all booked fewer flights for the peak summer travel season than last year, prompting analysts to warn of lower earnings.

• **International Business Machines Corp.** and **NEC Corp.** will work together to establish a standard for "electronic watermarks" to protect copyrights on products such as digital video disks.

• **Moevenpick Holding AG**, Switzerland's largest listed restaurant and hotel company, bought a stake in Karos Hotels Ltd. of South Africa.

• **Hong Kong's Census and Statistics Departments** said fast-food restaurants saw business increase 4.9 percent in the first quarter, while sales at more traditional Chinese restaurants fell 11 percent.

Bloomberg, Reuters

Infight Entertainment

- Wine Aircraft
- Cabin Improvements
- Worldwide Cargos
- Freshly Baked
- Internet Services
- Cabin Crew Training
- Hubways Network
- Business Division
- Working Bank Class
- Ground Services
- Worldwide Network

SHINJANG

Express Club

Preferences

Fresh? We grew it ourselves.

Home-grown fresh lettuce and crystal clear mineral water from our own farm on Jeju Island. Choose from the freshest foods and finest wines...

Infight food prepared for over 30 airlines. Infight meals prepared by top chefs from around the world.

KOREAN AIR BEYOND YOUR IMAGINATION

The 2,600 most traded stocks of the day.
 Nationwide prices not reflecting late trades elsewhere.
 The Associated Press.

[illegible][illegible][illegible][illegible]

12 Month	High	Low	Stock	Dr	Yr	PE	100 High	Low	Latest C
214	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
215	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
216	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
217	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
218	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
219	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
220	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
221	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
222	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
223	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
224	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
225	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
226	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
227	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
228	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
229	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
230	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
231	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
232	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
233	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
234	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
235	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
236	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
237	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
238	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
239	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
240	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
241	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
242	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
243	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
244	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
245	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
246	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
247	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
248	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
249	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
250	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
251	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
252	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
253	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
254	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
255	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
256	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
257	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
258	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
259	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
260	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
261	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
262	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
263	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
264	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
265	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
266	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
267	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
268	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
269	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
270	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
271	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
272	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
273	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
274	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
275	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
276	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
277	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
278	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
279	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
280	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
281	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
282	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
283	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
284	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
285	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
286	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
287	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
288	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
289	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
290	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
291	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
292	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
293	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
294	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
295	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
296	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
297	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
298	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
299	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
300	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
301	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
302	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
303	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
304	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
305	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
306	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
307	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
308	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
309	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
310	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
311	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
312	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
313	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
314	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
315	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
316	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
317	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
318	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
319	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
320	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
321	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
322	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
323	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
324	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
325	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
326	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
327	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
328	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
329	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
330	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
331	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
332	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
333	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
334	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
335	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
336	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
337	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
338	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
339	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
340	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
341	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
342	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
343	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
344	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
345	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
346	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
347	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
348	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
349	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
350	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
351	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
352	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
353	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
354	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
355	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
356	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
357	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
358	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
359	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
360	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
361	19 1/2	19 1/2	CAHCO	4	46	67	2	10	110
362	19 1/2	19 1							

[illegible]

- **Subscribe and SAVE up to 60% off the cover price.**
- **Try a special low cost 2-month trial subscription.**
- **Early morning hand-delivery to your home or office widely available.**

For easy ordering & details of hand-delivery areas call:

Belgium, Denmark, France, Ireland, Netherlands, Switzerland, U.K.	00800 4 448 7827	(toll free)
Austria	+43 1 891 363 830	(Vienna)
Central & Eastern Europe	0130 848 585	(toll free)
Germany	+30 1 529 90 60	(Athens)
Greece	167 780 040	(toll free)
Italy	0800 2703	(toll free)
Luxembourg	095 800 4 448 7827	(toll free)
Norway	020 797 039	(toll free)
Sweden	1 800 882 2884	(toll free)
U.S.A.	+33 1 41 43 93 61	(Paris)
Rest of Europe, Mid. East & Africa	+852 29221171	(Hong Kong)
Asia		

Full details available at:
<http://www.ihf.com> or e-mail: subs@ihf.com

[illegible][illegible]

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100

Continued on Page 21

Continued on Page 21

Thursday's 4 P.M.

Thursday's 4 P.M.
The 1,000 most traded National Market securities
in terms of dollar value, updated twice a year.
The Associated Press.

[illegible]

Sl. No.	Particulars	Debit	Credit	Balance
1	By Balance b/d		100.00	100.00
2	To Cash	50.00		50.00
3	To Bank	50.00		50.00
4	By Cash		50.00	0.00
5	By Bank		50.00	50.00
6	To Cash	50.00		0.00
7	To Bank	50.00		50.00
8	By Cash		50.00	0.00
9	By Bank		50.00	50.00
10	To Cash	50.00		0.00
11	To Bank	50.00		50.00
12	By Cash		50.00	0.00
13	By Bank		50.00	50.00
14	To Cash	50.00		0.00
15	To Bank	50.00		50.00
16	By Cash		50.00	0.00
17	By Bank		50.00	50.00
18	To Cash	50.00		0.00
19	To Bank	50.00		50.00
20	By Cash		50.00	0.00
21	By Bank		50.00	50.00
22	To Cash	50.00		0.00
23	To Bank	50.00		50.00
24	By Cash		50.00	0.00
25	By Bank		50.00	50.00
26	To Cash	50.00		0.00
27	To Bank	50.00		50.00
28	By Cash		50.00	0.00
29	By Bank		50.00	50.00
30	To Cash	50.00		0.00
31	To Bank	50.00		50.00
32	By Cash		50.00	0.00
33	By Bank		50.00	50.00
34	To Cash	50.00		0.00
35	To Bank	50.00		50.00
36	By Cash		50.00	0.00
37	By Bank		50.00	50.00
38	To Cash	50.00		0.00
39	To Bank	50.00		50.00
40	By Cash		50.00	0.00
41	By Bank		50.00	50.00
42	To Cash	50.00		0.00
43	To Bank	50.00		50.00
44	By Cash		50.00	0.00
45	By Bank		50.00	50.00
46	To Cash	50.00		0.00
47	To Bank	50.00		50.00
48	By Cash		50.00	0.00
49	By Bank		50.00	50.00
50	To Cash	50.00		0.00
51	To Bank	50.00		50.00
52	By Cash		50.00	0.00
53	By Bank		50.00	50.00
54	To Cash	50.00		0.00
55	To Bank	50.00		50.00
56	By Cash		50.00	0.00
57	By Bank		50.00	50.00
58	To Cash	50.00		0.00
59	To Bank	50.00		50.00
60	By Cash		50.00	0.00
61	By Bank		50.00	50.00
62	To Cash	50.00		0.00
63	To Bank	50.00		50.00
64	By Cash		50.00	0.00
65	By Bank		50.00	50.00
66	To Cash	50.00		0.00
67	To Bank	50.00		50.00
68	By Cash		50.00	0.00
69	By Bank		50.00	50.00
70	To Cash	50.00		0.00
71	To Bank	50.00		50.00
72	By Cash		50.00	0.00
73	By Bank		50.00	50.00
74	To Cash	50.00		0.00
75	To Bank	50.00		50.00
76	By Cash		50.00	0.00
77	By Bank		50.00	50.00
78	To Cash	50.00		0.00
79	To Bank	50.00		50.00
80	By Cash		50.00	0.00
81	By Bank		50.00	50.00
82	To Cash	50.00		0.00
83	To Bank	50.00		50.00
84	By Cash		50.00	0.00
85	By Bank		50.00	50.00
86	To Cash	50.00		0.00
87	To Bank	50.00		50.00
88	By Cash		50.00	0.00
89	By Bank		50.00	50.00
90	To Cash	50.00		0.00
91	To Bank	50.00		50.00
92	By Cash		50.00	0.00
93	By Bank		50.00	50.00
94	To Cash	50.00		0.00
95	To Bank	50.00		50.00
96	By Cash		50.00	0.00
97	By Bank		50.00	50.00
98	To Cash	50.00		0.00
99	To Bank	50.00		50.00
100	By Cash		50.00	0.00
101	By Bank		50.00	50.00
102	To Cash	50.00		0.00
103	To Bank	50.00		50.00
104	By Cash		50.00	0.00
105	By Bank		50.00	50.00
106	To Cash	50.00		0.00
107	To Bank	50.00		50.00
108	By Cash		50.00	0.00
109	By Bank		50.00	50.00
110	To Cash	50.00		0.00
111	To Bank	50.00		50.00
112	By Cash		50.00	0.00
113	By Bank		50.00	50.00
114	To Cash	50.00		0.00
115	To Bank	50.00		50.00
116	By Cash		50.00	0.00
117	By Bank		50.00	50.00
118	To Cash	50.00		0.00
119	To Bank	50.00		50.00
120	By Cash		50.00	0.00
121	By Bank		50.00	50.00
122	To Cash	50.00		0.00
123	To Bank	50.00		50.00
124	By Cash		50.00	0.00
125	By Bank		50.00	50.00
126	To Cash	50.00		0.00
127	To Bank	50.00		50.00
128	By Cash		50.00	0.00
129	By Bank		50.00	50.00
130	To Cash	50.00		0.00
131	To Bank	50.00		50.00
132	By Cash		50.00	0.00
133	By Bank		50.00	50.00
134	To Cash	50.00		0.00
135	To Bank	50.00		50.00
136	By Cash		50.00	0.00
137	By Bank		50.00	50.00
138	To Cash	50.00		0.00
139	To Bank	50.00		50.00
140	By Cash		50.00	0.00
141	By Bank		50.00	50.00
142	To Cash	50.00		0.00
143	To Bank	50.00		50.00
144	By Cash		50.00	0.00
145	By Bank		50.00	50.00
146	To Cash	50.00		0.00
147	To Bank	50.00		50.00
148	By Cash		50.00	0.00
149	By Bank		50.00	50.00
150	To Cash	50.00		0.00
151	To Bank	50.00		50.00
152	By Cash		50.00	0.00
153	By Bank		50.00	50.00
154	To Cash	50.00		0.00
155	To Bank	50.00		50.00
156	By Cash		50.00	0.00
157	By Bank		50.00	50.00
158	To Cash	50.00		0.00
159	To Bank	50.00		50.00
160	By Cash		50.00	0.00
161	By Bank		50.00	50.00
162	To Cash	50.00		0.00
163	To Bank	50.00		50.00
164	By Cash		50.00	0.00
165	By Bank		50.00	50.00
166	To Cash	50.00		0.00
167	To Bank	50.00		50.00
168	By Cash		50.00	0.00
169	By Bank		50.00	50.00
170	To Cash	50.00		0.00
171	To Bank	50.00		50.00
172	By Cash		50.00	0.00
173	By Bank		50.00	50.00
174	To Cash	50.00		0.00
175	To Bank	50.00		50.00
176	By Cash		50.00	0.00
177	By Bank		50.00	50.00
178	To Cash	50.00		0.00
179	To Bank	50.00		50.00
180	By Cash		50.00	0.00
181	By Bank		50.00	50.00
182	To Cash	50.00		0.00
183	To Bank	50.00		50.00
184	By Cash		50.00	0.00
185	By Bank		50.00	50.00
186	To Cash	50.00		0.00
187	To Bank	50.00		50.00
188	By Cash		50.00	0.00
189	By Bank		50.00	50.00
190	To Cash	50.00		0.00
191	To Bank	50.00		50.00
192	By Cash		50.00	0.00
193	By Bank		50.00	50.00
194	To Cash	50.00		0.00
195	To Bank	50.00		50.00
196	By Cash		50.00	0.00
197	By Bank		50.00	50.00
198	To Cash	50.00		0.00
199	To Bank	50.00		50.00
200	By Cash		50.00	0.00
201	By Bank		50.00	50.00
202	To Cash	50.00		0.00
203	To Bank	50.00		50.00
204	By Cash		50.00	0.00
205	By Bank		50.00	50.00
206	To Cash	50.00		0.00
207	To Bank	50.00		50.00
208	By Cash		50.00	0.00
209	By Bank		50.00	50.00
210	To Cash	50.00		0.00
211	To Bank	50.00		50.00
212	By Cash		50.00	0.00
213	By Bank		50.00	50.00
214	To Cash	50.00		0.00
215	To Bank	50.00		50.00
216	By Cash		50.00	0.00
217	By Bank		50.00	50.00
218	To Cash	50.00		0.00
219	To Bank	50.00		50.00
220	By Cash		50.00	0.00
221	By Bank		50.00	50.00
222	To Cash	50.00		0.00
223	To Bank	50.00		50.00
224	By Cash		50.00	0.00
225	By Bank		50.00	50.00
226	To Cash	50.00		0.00
227	To Bank	50.00		50.00
228	By Cash		50.00	0.00
229	By Bank		50.00	50.00
230	To Cash	50.00		0.00
231	To Bank	50.00		50.00
232	By Cash		50.00	0.00
233	By Bank		50.00	50.00
234	To Cash	50.00		0.00
235	To Bank	50.00		50.00
236	By Cash		50.00	0.00
237	By Bank		50.00	50.00
238	To Cash	50.00		0.00
239	To Bank	50.00		50.00
240	By Cash		50.00	0.00
241	By Bank		50.00	50.00
242	To Cash	50.00		0.00
243	To Bank	50.00		50.00
244	By Cash		50.00	0.00
245	By Bank		50.00	50.00
246	To Cash	50.00		0.00
247	To Bank	50.00		50.00
248	By Cash		50.00	0.00
249	By Bank		50.00	50.00
250	To Cash	50.00		0.00
251	To Bank	50.00		50.00
252	By Cash		50.00	0.00
253	By Bank		50.00	50.00
254	To Cash	50.00		0.00
255	To Bank	50.00		50.00
256	By Cash		50.00	0.00
257	By Bank		50.00	50.00
258	To Cash	50.00		0.00
259	To Bank	50.00		50.00
260	By Cash		50.00	0.00
261	By Bank		50.00	50.00
262	To Cash	50.00		0.00
263	To Bank	50.00		50.00
264	By Cash		50.00	0.00
265	By Bank		50.00	50.00
266	To Cash	50.00		0.00
267	To Bank	50.00		50.00
268	By Cash		50.00	0.00
269	By Bank		50.00	50.00
270	To Cash	50.00		0.00
271	To Bank	50.00		50.00
272	By Cash		50.00	0.00
273	By Bank		50.00	50.00
274	To Cash	50.00		0.00
275	To Bank	50.00		50.00
276	By Cash		50.00	0.00
277	By Bank		50.00	50.00
278	To Cash	50.00		0.00
279	To Bank	50.00		50.00
280	By Cash		50.00	0.00
281	By Bank		50.00	50.00
282	To Cash	50.00		0.00
283	To Bank	50.00		50.00
284	By Cash		50.00	0.00
285	By Bank		50.00	50.00
286	To Cash	50.00		0.00
287	To Bank	50.00		50.00
288	By Cash		50.00	0.00
289	By Bank		50.00	50.00
290	To Cash	50.00		0.00
291	To Bank	50.00		50.00
292	By Cash		50.00	0.00
293	By Bank		50.00	50.00
294	To Cash	50.00		0.00
295	To Bank	50.00		50.00
296	By Cash		50.00	0.00
297	By Bank			

Page	Line	Back	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100			

[illegible]

Sl. No.	Name of the Candidate	Grade	Roll No.	Score	Remarks
1	ABHIRAM K	10	101	85	
2	ADARSH K	10	102	78	
3	ADITHYAN K	10	103	92	
4	ADITHYAN K	10	104	88	
5	ADITHYAN K	10	105	75	
6	ADITHYAN K	10	106	82	
7	ADITHYAN K	10	107	79	
8	ADITHYAN K	10	108	86	
9	ADITHYAN K	10	109	81	
10	ADITHYAN K	10	110	84	
11	ADITHYAN K	10	111	87	
12	ADITHYAN K	10	112	83	
13	ADITHYAN K	10	113	80	
14	ADITHYAN K	10	114	85	
15	ADITHYAN K	10	115	82	
16	ADITHYAN K	10	116	86	
17	ADITHYAN K	10	117	81	
18	ADITHYAN K	10	118	84	
19	ADITHYAN K	10	119	87	
20	ADITHYAN K	10	120	83	
21	ADITHYAN K	10	121	80	
22	ADITHYAN K	10	122	85	
23	ADITHYAN K	10	123	82	
24	ADITHYAN K	10	124	86	
25	ADITHYAN K	10	125	81	
26	ADITHYAN K	10	126	84	
27	ADITHYAN K	10	127	87	
28	ADITHYAN K	10	128	83	
29	ADITHYAN K	10	129	80	
30	ADITHYAN K	10	130	85	
31	ADITHYAN K	10	131	82	
32	ADITHYAN K	10	132	86	
33	ADITHYAN K	10	133	81	
34	ADITHYAN K	10	134	84	
35	ADITHYAN K	10	135	87	
36	ADITHYAN K	10	136	83	
37	ADITHYAN K	10	137	80	
38	ADITHYAN K	10	138	85	
39	ADITHYAN K	10	139	82	
40	ADITHYAN K	10	140	86	
41	ADITHYAN K	10	141	81	
42	ADITHYAN K	10	142	84	
43	ADITHYAN K	10	143	87	
44	ADITHYAN K	10	144	83	
45	ADITHYAN K	10	145	80	
46	ADITHYAN K	10	146	85	
47	ADITHYAN K	10	147	82	
48	ADITHYAN K	10	148	86	
49	ADITHYAN K	10	149	81	
50	ADITHYAN K	10	150	84	
51	ADITHYAN K	10	151	87	
52	ADITHYAN K	10	152	83	
53	ADITHYAN K	10	153	80	
54	ADITHYAN K	10	154	85	
55	ADITHYAN K	10	155	82	
56	ADITHYAN K	10	156	86	
57	ADITHYAN K	10	157	81	
58	ADITHYAN K	10	158	84	
59	ADITHYAN K	10	159	87	
60	ADITHYAN K	10	160	83	
61	ADITHYAN K	10	161	80	
62	ADITHYAN K	10	162	85	
63	ADITHYAN K	10	163	82	
64	ADITHYAN K	10	164	86	
65	ADITHYAN K	10	165	81	
66	ADITHYAN K	10	166	84	
67	ADITHYAN K	10	167	87	
68	ADITHYAN K	10	168	83	
69	ADITHYAN K	10	169	80	
70	ADITHYAN K	10	170	85	
71	ADITHYAN K	10	171	82	
72	ADITHYAN K	10	172	86	

[illegible]

NÝSE

Thursday's 4 P.M. Close

(Continued)

Month	High	Low	Stock	Dly	Vol	PE	St	100	High	Low	Change
17	254	249	NewsCorp	1	17	10	252	254	249	254	+10
20	254	249	NewsCorp	1	17	10	252	254	249	254	+10
23	254	249	NewsCorp	1	17	10	252	254	249	254	+10
26	254	249	NewsCorp	1	17	10	252	254	249	254	+10
29	254	249	NewsCorp	1	17	10	252	254	249	254	+10
32	254	249	NewsCorp	1	17	10	252	254	249	254	+10
35	254	249	NewsCorp	1	17	10	252	254	249	254	+10
38	254	249	NewsCorp	1	17	10	252	254	249	254	+10
41	254	249	NewsCorp	1	17	10	252	254	249	254	+10
44	254	249	NewsCorp	1	17	10	252	254	249	254	+10
47	254	249	NewsCorp	1	17	10	252	254	249	254	+10
50	254	249	NewsCorp	1	17	10	252	254	249	254	+10
53	254	249	NewsCorp	1	17	10	252	254	249	254	+10
56	254	249	NewsCorp	1	17	10	252	254	249	254	+10
59	254	249	NewsCorp	1	17	10	252	254	249	254	+10
62	254	249	NewsCorp	1	17	10	252	254	249	254	+10
65	254	249	NewsCorp	1	17	10	252	254	249	254	+10
68	254	249	NewsCorp	1	17	10	252	254	249	254	+10
71	254	249	NewsCorp	1	17	10	252	254	249	254	+10
74	254	249	NewsCorp	1	17	10	252	254	249	254	+10
77	254	249	NewsCorp	1	17	10	252	254	249	254	+10
80	254	249	NewsCorp	1	17	10	252	254	249	254	+10
83	254	249	NewsCorp	1	17	10	252	254	249	254	+10
86	254	249	NewsCorp	1	17	10	252	254	249	254	+10
89	254	249	NewsCorp	1	17	10	252	254	249	254	+10
92	254	249	NewsCorp	1	17	10	252	254	249	254	+10
95	254	249	NewsCorp	1	17	10	252	254	249	254	+10
98	254	249	NewsCorp	1	17	10	252	254	249	254	+10
101	254	249	NewsCorp	1	17	10	252	254	249	254	+10
104	254	249	NewsCorp	1	17	10	252	254	249	254	+10
107	254	249	NewsCorp	1	17	10	252	254	249	254	+10
110	254	249	NewsCorp	1	17	10	252	254	249	254	+10
113	254	249	NewsCorp	1	17	10	252	254	249	254	+10
116	254	249	NewsCorp	1	17	10	252	254	249	254	+10
119	254	249	NewsCorp	1	17	10	252	254	249	254	+10
122	254	249	NewsCorp	1	17	10	252	254	249	254	+10
125	254	249	NewsCorp	1	17	10	252	254	249	254	+10
128	254	249	NewsCorp	1	17	10	252	254	249	254	+10
131	254	249	NewsCorp	1	17	10	252	254	249	254	+10
134	254	249	NewsCorp	1	17	10	252	254	249	254	+10
137	254	249	NewsCorp	1	17	10	252	254	249	254	+10
140	254	249	NewsCorp	1	17	10	252	254	249	254	+10
143	254	249	NewsCorp	1	17	10	252	254	249	254	+10
146	254	249	NewsCorp	1	17	10	252	254	249	254	+10
149	254	249	NewsCorp	1	17	10	252	254	249	254	+10
152	254	249	NewsCorp	1	17	10	252	254	249	254	+10
155	254	249	NewsCorp	1	17	10	252	254	249	254	+10
158	254	249	NewsCorp	1	17	10	252	254	249	254	+10
161	254	249	NewsCorp	1	17	10	252	254	249	254	+10
164	254	249	NewsCorp	1	17	10	252	254	249	254	+10
167	254	249	NewsCorp	1	17	10	252	254	249	254	+10
170	254	249	NewsCorp	1	17	10	252	254	249	254	+10
173	254	249	NewsCorp	1	17	10	252	254	249	254	+10
176	254	249	NewsCorp	1	17	10	252	254	249	254	+10
179	254	249	NewsCorp	1	17	10	252	254	249	254	+10
182	254	249	NewsCorp	1	17	10	252	254	249	254	+10
185	254	249	NewsCorp	1	17	10	252	254	249	254	+10
188	254	249	NewsCorp	1	17	10	252	254	249	254	+10
191	254	249	NewsCorp	1	17	10	252	254	249	254	+10
194	254	249	NewsCorp	1	17	10	252	254	249	254	+10
197	254	249	NewsCorp	1	17	10	252	254	249	254	+10
200	254	249	NewsCorp	1	17	10	252	254	249	254	+10
203	254	249	NewsCorp	1	17	10	252	254	249	254	+10
206	254	249	NewsCorp	1	17	10	252	254	249	254	+10
209	254	249	NewsCorp	1	17	10	252	254	249	254	+10
212	254	249	NewsCorp	1	17	10	252	254	249	254	+10
215	254	249	NewsCorp	1	17	10	252	254	249	254	+10
218	254	249	NewsCorp	1	17	10	252	254	249	254	+10
221	254	249	NewsCorp	1	17	10	252	254	249	254	+10
224	254	249	NewsCorp	1	17	10	252	254	249	254	+10
227	254	249	NewsCorp	1	17	10	252	254	249	254	+10
230	254	249	NewsCorp	1	17	10	252	254	249	254	+10
233	254	249	NewsCorp	1	17	10	252	254	249	254	+10
236	254	249	NewsCorp	1	17	10	252	254	249	254	+10
239	254	249	NewsCorp	1	17	10	252	254	249	254	+10
242	254	249	NewsCorp	1	17	10	252	254	249	254	+10
245	254	249	NewsCorp	1	17	10	252	254	249	254	+10
248	254	249	NewsCorp	1	17	10	252	254	249	254	+10
251	254	249	NewsCorp	1	17	10	252	254	249	254	+10
254	254	249	NewsCorp	1	17	10	252	254	249	254	+10
257	254	249	NewsCorp	1	17	10	252	254	249	254	+10
260	254	249	NewsCorp	1	17	10	252	254	249	254	+10
263	254	249	NewsCorp	1	17	10	252	254	249	254	+10
266	254	249	NewsCorp	1	17	10	252	254	249	254	+10
269	254	249	NewsCorp	1	17	10	252	254	249	254	+10
272	254	249	NewsCorp	1	17	10	252	254	249	254	+10
275	254	249	NewsCorp	1	17	10	252	254	249	254	+10
278	254	249	NewsCorp	1	17	10	252	254	249	254	+10
281	254	249	NewsCorp	1	17	10	252	254	249	254	+10
284	254	249	NewsCorp	1	17	10	252	254	249	254	+10
287	254	249	NewsCorp	1	17	10	252	254	249	254	+10
290	254	249	NewsCorp	1	17	10	252	254	249	254	+10
293	254	249	NewsCorp	1	17	10	252	254	249	254	+10
296	254	249	NewsCorp	1	17	10	252	254	249	254	+10
299	254	249	NewsCorp	1	17	10	252	254	249	254	+10
302	254	249	NewsCorp	1	17	10	252	254	249	254	+10
305	254	249	NewsCorp	1	17	10	252	254	249	254	+10
308	254	249	NewsCorp	1	17	10	252	254	249	254	+10
311	254	249	NewsCorp	1	17	10	252	254	249	254	+10
314	254	249	NewsCorp	1	17	10	252	254	249	254	+10
317	254	249	NewsCorp	1	17	10	252	254	249	254	+10
320	254	249	NewsCorp	1	17	10	252	254	249	254	+10
323	254	249	NewsCorp	1	17	10	252	254	249	254	+10
326	254	249	NewsCorp	1	17	10	252	254	249	254	+10
329	254	249	NewsCorp	1	17	10	252	254	249	254	+10
332	254	249	NewsCorp	1	17	10	252	254	249	254	+10
335	254	249	NewsCorp	1	17	10	252	254	249	254	+10
338	254	249	NewsCorp	1	17	10	252	254	249	254	+10
341	254	249	NewsCorp	1	17	10	252	254	249	254	+10
344	254	249	NewsCorp	1	17	10	252	254	249	254	+10
347	254	249	NewsCorp	1	17	10	252	254	249	254	+10
350	254	249	NewsCorp	1	17	10	252	254	249	254	+10
353	254	249	NewsCorp	1	17	10	252	254	249	254	+10
356	254	249	NewsCorp	1	17	10	252	254	249	254	+10
359	254	249	NewsCorp	1	17	10	252	254	249	254	+10
362	254	249	NewsCorp	1	17	10	252	254	249	254	+10
365	254	249	NewsCorp	1	17	10	252	254	249	254	+10
368	254	249	NewsCorp	1	17	10	252	254	249	254	+10
371	254	249	NewsCorp	1	17	10	252	254	249	254	+10
374	254	249	NewsCorp	1	17	10	252	254	249	254	+10
377	254	249	NewsCorp	1	17	10	252	254	249	254	+10
380	254	249	NewsCorp	1	17	10	252	254	249	254	+10
383	254	249	NewsCorp	1	17	10	252	254	249	254	+10
386	254	249	NewsCorp	1	17	10	252	254	249	254	+10
389	254	249	NewsCorp	1	17	10	252	254	249	254	+10
392	254	249	NewsCorp	1	17	10	252	254	249	254	+10
395	254	249	NewsCorp	1	17	10	252	254	249	254	+10
398	254	249	NewsCorp	1	17	10	252	254	249	254	+10
401	254	249	NewsCorp	1	17	10	252	254	249	254	+10
404	254	249	NewsCorp	1	17	10	252	254	249	254	+10
407	254	249	NewsCorp	1	17	10	252	254	249	254	+10
410	254										

[illegible][illegible]

12 Month	High	Low	Stock	Div Yld	P/E	Tobin's	High	Low	Unadjusted	Cap
1980-1981	100.00	50.00	100.00	10.00	10.00	10.00	100.00	50.00	100.00	100.00
1981-1982	100.00	50.00	100.00	10.00	10.00	10.00	100.00	50.00	100.00	100.00
1982-1983	100.00	50.00	100.00	10.00	10.00	10.00	100.00	50.00	100.00	100.00
1983-1984	100.00	50.00	100.00	10.00	10.00	10.00	100.00	50.00	100.00	100.00
1984-1985	100.00	50.00	100.00	10.00	10.00	10.00	100.00	50.00	100.00	100.00
1985-1986	100.00	50.00	100.00	10.00	10.00	10.00	100.00	50.00	100.00	100.00
1986-1987	100.00	50.00	100.00	10.00	10.00	10.00	100.00	50.00	100.00	100.00
1987-1988	100.00	50.00	100.00	10.00	10.00	10.00	100.00	50.00	100.00	100.00
1988-1989	100.00	50.00	100.00	10.00	10.00	10.00	100.00	50.00	100.00	100.00
1989-1990	100.00	50.00	100.00	10.00	10.00	10.00	100.00	50.00	100.00	100.00
1990-1991	100.00	50.00	100.00	10.00	10.00	10.00	100.00	50.00	100.00	100.00
1991-1992	100.00	50.00	100.00	10.00	10.00	10.00	100.00	50.00	100.00	100.00
1992-1993	100.00	50.00	100.00	10.00	10.00	10.00	100.00	50.00	100.00	100.00
1993-1994	100.00	50.00	100.00	10.00	10.00	10.00	100.00	50.00	100.00	100.00
1994-1995	100.00	50.00	100.00	10.00	10.00	10.00	100.00	50.00	100.00	100.00
1995-1996	100.00	50.00	100.00	10.00	10.00	10.00	100.00	50.00	100.00	100.00
1996-1997	100.00	50.00	100.00	10.00	10.00	10.00	100.00	50.00	100.00	100.00
1997-1998	100.00	50.00	100.00	10.00	10.00	10.00	100.00	50.00	100.00	100.00
1998-1999	100.00	50.00	100.00	10.00	10.00	10.00	100.00	50.00	100.00	100.00
1999-2000	100.00	50.00	100.00	10.00	10.00	10.00	100.00	50.00	100.00	100.00
2000-2001	100.00	50.00	100.00	10.00	10.00	10.00	100.00	50.00	100.00	100.00
2001-2002	100.00	50.00	100.00	10.00	10.00	10.00	100.00	50.00	100.00	100.00
2002-2003	100.00	50.00	100.00	10.00	10.00	10.00	100.00	50.00	100.00	100.00
2003-2004	100.00	50.00	100.00	10.00	10.00	10.00	100.00	50.00	100.00	100.00
2004-2005	100.00	50.00	100.00	10.00	10.00	10.00	100.00	50.00	100.00	100.00
2005-2006	100.00	50.00	100.00	10.00	10.00	10.00	100.00	50.00	100.00	100.00
2006-2007	100.00	50.00	100.00	10.00	10.00	10.00	100.00	50.00	100.00	100.00
2007-2008	100.00	50.00	100.00	10.00	10.00	10.00	100.00	50.00	100.00	100.00
2008-2009	100.00	50.00	100.00	10.00	10.00	10.00	100.00	50.00	100.00	100.00
2009-2010	100.00	50.00	100.00	10.00	10.00	10.00	100.00	50.00	100.00	100.00

[illegible][illegible]

Herald Tribune

SPORTS

FRIDAY, JULY 17, 1998

PAGE 22

WORLD ROUNDUP

Zagallo Adds to Ronaldo Saga

SOCCER Mario Zagallo, coach of the Brazilian national soccer team, dismissed criticism of his decision to allow Ronaldo to play despite convulsions the team's star forward suffered hours before the World Cup final, a Brazilian newspaper reported Thursday. The owner of Ronaldo's Italian club, Massimo Moratti, criticized Zagallo, saying "the Brazilian federation behaved in an absurd manner."

O Estado de Sao Paulo quoted Zagallo as saying that Moratti also had put undue pressure on Ronaldo.

Dismissing speculation that Ronaldo might suffer from epilepsy, Brazil's team doctor, Lidio Toledo, said Thursday that Ronaldo's seizures Sunday were "due to stress."

Ronaldo was shown on TV Globo News walking past reporters outside his mother's house Thursday without comment. He has repeatedly refused to speak to reporters who have pursued him relentlessly since his return from France earlier this week. (AP)

• The coach of the Netherlands' World Cup team, Guus Hiddink, has signed a two-year contract to manage Real Madrid, the European Cup champion, the club announced Thursday. (Reuters)

• Gerard Houllier, the former coach of the French national team, was appointed joint manager at Liverpool on Thursday. Houllier, 50, signed a two-year contract to work alongside the team's current manager, Roy Evans. (AP)

A World Cup Series for Baseball?

BASEBALL The head of the Players Union, Donald Fehr, and baseball owners have entered into discussions about international play, including the Olympics and a World Cup-style tournament.

"There's a feeling that there's a lot of work to do and there's an opportunity out there," Fehr said after a meeting Wednesday. "We have to come up with an operating plan."

Paul Beeson, the chief operating officer of Major League Baseball, said that the talks included the November All-Star tour of Japan; the potential of playing games outside of the United States and Canada; the qualifying rounds for the 2000 Olympics; and an international tournament based on soccer's World Cup. (AP)



Tiger Woods, left, and Nick Price playing in the British Open.

Woods Enjoys an Iron Swing

By Leonard Shapiro
Special to the Herald Tribune

SOUTHPORT, England — Tiger Woods had just saved a precious par on the first hole by making a dicey eight-foot putt — this, after bashing a 3-wood off the tee into the straggling rough. After seeing his dreadful lie from the tee shot, he grimaced, and thought "realistically, I'm facing bogey right in the eye."

Instead, Woods pulled out a 9-iron, and with a mighty swing that sent grass flying every which way, he floated the ball over a bunker guarding the green 108 yards away and watched it stop about 25 feet from the pin. He two-putted for a breathtaking par and said afterward "I felt really good about my game."

More than three hours later, Woods would walk off the course still feeling fabulously about his play Thursday, despite a sloppy bogey at the 18th. His six-footer for par lapped out, preventing him from owning the outright lead after the first round of the 127th British Open. But clearly he and many others had few complaints about mostly benign Royal Birkdale.

Instead, after a day of early breezes and cloudy skies had given way to almost dead calm, balmy conditions in the afternoon, Woods had posted a 5-under round of 65 that left him tied for the 18-hole lead with a fellow American, John Huston, with four birdies and an eagle on the back nine.

Nick Price, Fred Couples and Loren Roberts were one shot behind Woods and Huston at 66. Meanwhile, the defending champion

Justin Leonard shot a 3-over par 73.

Another American, Brad Faxon, also was a tad giddy finishing two off the lead with a 67 in a group that included a fellow Ryder Cup member, Davis Love III, Vijay Singh of Fiji and Fredrik Jacobson of Sweden. Faxon had only 23 putts for the day — "my best putting round of the year," he said, after repairing a putter this week that had been bent in three places.

Woods, the world's No. 1 ranked player, has not led after a single round in a major championship

BRITISH OPEN

since he walked off the 18th green at Augusta National a year ago last April with a 12-shot victory. Ironically, Huston held the first-round lead at that memorable Masters before fading with a 77 in the second round and an eventual tie for 21st.

Huston, who has four career PGA Tour victories, had an eagle-birdie finish after an early morning start. He made a 40-footer at the 547-yard 17th to get to four-under, and finished off his round with a 7-iron shot that landed four feet from the 18th hole and one final putt.

Woods prepared for his fourth British Open by taking a trip to Ireland last week with his friend and Orlando neighbor Mark O'Meara. They played golf, joined occasionally by Payne Stewart, and went fishing almost every day. And Woods also kept the putter he had borrowed the week before from O'Meara, one Woods had used to shoot a 62 in his last round back home before leaving for Europe.

O'Meara, who shot 63 that day, may never get that putter back after Woods' used it to make four front-side birdies and seven overall. Just as significantly, Woods only used a driver on four holes, taking a thinking man's route around the dunes and all the other disasters lurking on this unforgiving seaside course.

His most spectacular birdie of the day came at the 411-yard 9th, a slight dog-leg to the right with a corner guarded by an imposing bunker. On the tee, Woods asked several photographers to move out of his sight line as he aimed dead right over the bunker.

It was a 380-yard drive, followed by a lovely sand wedge to three feet and a birdie putt that pushed him to 4-under for the round.

In the end, though, he said his round essentially got jump-started with that magnificent shot out of the rough at the second hole.

"Man, the lie was horrible," Woods said. "I thought there was no way I could have come out the way I did. It flew to the middle of the green."

It was as if with a 9-iron just about as hard as I possibly could. If I turned it over I could smother it and it might go 4 feet." And now, with the weather report calling for a return to stronger wind and far tougher conditions, Woods likes his position.

"Shooting a low round today really does make you more comfortable going into tomorrow if you've got bad conditions," he said. "It would be 10 times more difficult if I shot a bad round today then had to go out tomorrow and try to shoot a great round to get myself back into it under some terrible conditions."

On a Bad Day, Westwood Keeps His, and Britain's, Hopes High

By Christopher Clarey
International Herald Tribune

SOUTHPORT, England — Lee Westwood, the young Englishman who has impressed so many of his golfing elders with his composure, watched his long approach shot land in the rough near the 17th green on Thursday and angrily drove the blade of his 4-iron deep into the fairway.

It has been six years since a Briton won the British Open: six years since Nick Faldo's eternal tinkering left him holding the trophy, a claret jug, at Muirfield.

Faldo has faltered in recent years. Colin Montgomerie's professional game seems better suited to centrally planned courses instead of undulating, windswept links.

This year it is a younger man's turn to generate hope and low odds at

horse in July. Westwood is 25: a little wide around the waist but far ahead of the curve with seven tournament victories in the last nine months.

After one round in remarkably clement conditions at Royal Birkdale, however, Westwood is already six shots off the lead. His 71 was no collapse, but it was not nearly enough to put him deep in the red with an even younger man: Tiger Woods.

Westwood got the better of Woods at the Ryder Cup last September, teaming with Faldo to defeat Woods and his partner, Mark O'Meara, in a four-ball match that helped Europe to its surprise victory in Valderrama, Spain. Westwood also finished 11 places ahead of Woods at the most recent major championship: the U.S. Open.

But at the tournament that matters

most to Europeans, Woods and the Americans had the far superior opening day, and with the weather expected to take a turn for the English, Westwood may soon have reason to regret the many medium-length putts he failed to hole.

"I think the crowd was more frustrated than I was when the putts missed, but they just want me to do well," Westwood said.

Unlike Woods, Westwood has not stopped reading golf articles about himself. Nor has he had to bother with bodyguards, death threats, screaming teenage groupies or eight-figure long-term endorsement deals, although England's potential star does drive a Porsche.

Like Woods, on the other hand, Westwood must put up with distractions. On the first green, as Westwood prepared to try to save

par, a television spotter said in what amounted to a stage whisper, "Westwood to putt!" Westwood backed away, and an English voice in the crowd shouted, "Come on, give him a break."

Westwood would bogey, and there would be another break in his rhythm when he prepared to putt at the 13th and a fan's cellular phone began to play Beethoven's "Ode to Joy." If Westwood had been Montgomerie, the offending fan might soon have been humming a very different tune, but the generally unfappable Englishman simply smiled, shook his head and stepped away.

"If you need a telephone on the course, you are too busy and you should be in the office," Westwood said later.

Golf, like another richly rewarded game, finance, is all about risk

management, and Westwood has managed it well recently. But on the par-5 15th hole, his fairway driver from 260 yards away sliced right into a large gorse bush. He would end up with another bogey and drop to 3 above par.

By this time, the young English fans waving the "Lee Westwood 4" the "jug" banners were well outnumbered by those who had scanned the list of tee times and discovered that Woods was only two groups behind. But even with fewer witnesses, Westwood still managed to prove his worth, finally getting a birdie at 16 and then coming up with another one with a 35-foot putt on 17 after his poor approach.

It was hardly his best day of 1998, but it was not yet enough to ruin his week, or for that matter, Britain's.

Which Golf Courses
will you be playing
next weekend and on
your next vacation?

Over 1,000 PAGES!
EUROPEAN GOLF COURSES
WITH MAPS, DIRECTIONS,
OVER 2,000 PHOTOS
AND OVER 1,000 REVIEWS

PEUGEOT
GOLF GUIDE
750
The best golf courses
in 12 European
countries

Take a look
at the PGG 1998

Available through all good bookshops
and golf shops throughout Europe.

SPECIAL OFFER TO HERALD TRIBUNE READERS

£17.95 postage included

To receive the 1998 Peugeot Golf Guide.

Please mail this coupon to:

PORTFOLIO BOOKS LTD Unit 1 C West Ealing Business Centre

Alexandria Road - GB London W13 0NJ

Tel: 181 579 77 48 - Fax: 181 567 09 04

Name: _____

First name: _____

Address: _____

Phone: _____

Payment enclosed by cheque made payable to Portfolio

SCOREBOARD

BASEBALL

MAJOR LEAGUE STANDINGS

AMERICAN LEAGUE	W	L	Pct.	GB
East Division				
New York	67	21	.761	
Boston	54	32	.625	13
Tampa Bay	47	40	.540	24
Baltimore	45	42	.519	25
Toronto	35	52	.400	35
Central Division				
Cleveland	53	29	.646	
Kansas City	42	41	.511	11
Minnesota	42	51	.448	21
Chicago	41	53	.436	23
Detroit	38	57	.400	28
West Division				
Seattle	52	41	.559	
Anaheim	51	42	.544	1
Texas	44	49	.473	8
Oakland	42	53	.443	11
San Diego	36	59	.380	18

NATIONAL LEAGUE

AMERICAN LEAGUE	W	L	Pct.	GB
East Division				
Atlanta	60	22	.632	
New York	47	35	.571	13
Philadelphia	42	40	.512	18
Montreal	38	53	.417	23
Florida	36	55	.396	25
Central Division				
Houston	55	29	.659	
Chicago	51	33	.605	4
St. Louis	45	40	.525	10
Cincinnati	42	54	.438	14
Pittsburgh	32	64	.333	24
West Division				
San Diego	53	42	.558	
Los Angeles	47	48	.495	6
Colorado	44	54	.447	10
Arizona	32	62	.340	20

WEDNESDAY LINESCORES

AMERICAN LEAGUE	W	L	Pct.	GB
East Division				
Tampa Bay	101	100	.505	7.0
Chicago	101	100	.505	7.1
Houston	101	100	.505	7.2
Los Angeles	101	100	.505	7.3
San Diego	101	100	.505	7.4
Central Division				
Minnesota	101	100	.505	7.5
St. Louis	101	100	.505	7.6
Chicago	101	100	.505	7.7
Philadelphia	101	100	.505	7.8
West Division				
Seattle	101	100	.505	7.9
San Francisco	101	100	.505	8.0
San Diego	101	100	.505	8.1
Los Angeles	101	100	.505	8.2
San Francisco	101	100	.505	8.3
San Diego	101	100	.505	8.4
Los Angeles	101	100	.505	8.5
San Francisco	101	100	.505	8.6
San Diego	101	100	.505	8.7
Los Angeles	101	100	.505	8.8
San Francisco	101	100	.505	8.9
San Diego	101	100	.505	9.0
Los Angeles	101	100	.505	9.1
San Francisco	101	100	.505	9.2
San Diego	101	100	.505	9.3
Los Angeles	101	100	.505	9.4
San Francisco	101	100	.505	9.5
San Diego	101	100	.505	9.6
Los Angeles	101	100	.505	9.7
San Francisco	101	100	.505	9.8
San Diego	101	100	.505	9.9
Los Angeles	101	100	.505	10.0

CRICKET

INDIAN VS. SOUTH AFRICA

INDIAN VS. SOUTH AFRICA	W	L	Pct.	GB
India	101	100	.505	7.0
South Africa	101	100	.505	7.1
India	101	100	.505	7.2
South Africa	101	100	.505	7.3
India	101	100	.505	7.4
South Africa	101	100	.505	7.5
India	101	100	.505	7.6
South Africa	101	100	.505	7.7
India	101	100	.505	7.8
South Africa	101	100	.505	7.9
India	101	100	.505	8.0
South Africa	101	100	.505	8.1
India	101	100	.505	8.2
South Africa	101	100	.505	8.3
India	101	100	.505	8.4
South Africa	101	100	.505	8.5
India	101	100	.505	8.6
South Africa	101	100	.505	8.7
India	101	100	.505	8.8
South Africa	101	100	.505	8.9
India	101	100	.505	9.0
South Africa	101	100	.505	9.1
India	101	100	.505	9.2
South Africa	101	100	.505	9.3
India	101	100	.505	9.4
South Africa	101	100	.505	9.5
India	101	100	.505	9.6
South Africa	101	100	.505	9.7
India	101	100	.505	9.8
South Africa	101	100	.505	9.9
India	101	100	.505	10.0

THURSDAY VS. SRI LANKA

THURSDAY VS. SRI LANKA	W	L	Pct.	GB
Thurs	101	100	.505	7.0
Sri Lanka	101	100	.505	7.1
Thurs	101	100	.505	7.2
Sri Lanka	101	100	.505	7.3
Thurs	101	100	.505	7.4
Sri Lanka	101	100	.505	7.5
Thurs	101	100	.505	7.6
Sri Lanka	101	100	.505	7.7
Thurs	101	100	.505	7.8
Sri Lanka	101	100	.505	7.9
Thurs	101	100	.505	8.0
Sri Lanka	101	100	.505	8.1
Thurs	101	100	.505	8.2
Sri Lanka	101	100	.505	8.3
Thurs	101	100	.505	8.4
Sri Lanka	101	100	.505	8.5
Thurs	101	100	.505	8.6
Sri Lanka	101	100	.505	8.7
Thurs	101	100	.505	8.8
Sri Lanka	101	100	.505	8.9
Thurs	101	100	.505	9.0
Sri Lanka	101	100	.505	9.1
Thurs	101	100	.505	9.2
Sri Lanka	101	100	.505	9.3
Thurs	101	100	.505	9.4
Sri Lanka	101	100	.505	9.5
Thurs	101	100	.505	9.6
Sri Lanka	101	100	.505	9.7
Thurs	101	100	.505	9.8
Sri Lanka	101	100	.505	9.9
Thurs	101	100	.505	10.0

THURSDAY VS. SRI LANKA

010	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-	9	16	2
012	321	018-			

SPORTS

Cipollini, Avoiding Crashes, Makes Regal Finish

By Samuel Abt
International Herald Tribune

CHATEAUXROUX, France—There was another crash near the finish of the Tour de France's daily stage Thursday but this time Mario Cipollini, 27, May-ridge, was not in the middle of the sprawled bodies and bicycles as he has been twice this week.

Cipollini, the star Italian sprinter for the Saeco team, was way ahead of the accident — about two bicycle lengths ahead of everybody, in fact.

He had plenty of time to raise his arms in his usual triumphal benediction as he crossed the finish and even to glance back as if he wondered where the rest of the 183-man pack was.

The Lion King — he has a tawny, highlighted mane and a regal air — registered his first victory in this 85th Tour on the kind of terrain he likes best: an extremely long straightaway at the end of a flat 228.5-kilometer (141.7-mile) fifth stage from Cholet to Chat-

eauroux in the heart of France.

"I've been waiting," he said of the earlier mishaps. "This was a perfect stage for me, and my teammates did everything right."

Saeco riders led the train into this grimy city and then left Cipollini to pour on the final coals himself.

He easily finished ahead of Erik Zabel, a German with Telekom, and Christophe Mengin, a Frenchman with La

TOUR DE FRANCE

France des Jeux, second and third among a swarm at the end of the mile-long straightaway.

In one of those nice touches the Tour often provides, the finish line was placed outside the house of Marcel Dussan, who won three times in the race more than 40 years ago and briefly wore the yellow jersey in 1949 after capturing the first stage.

Old-timers say Dussan took the symbol of leadership by winning a

sprint finish as easily as Cipollini did Thursday.

The Italian was timed in 5 hours 18 minutes 49 seconds, an average speed of 42 kilometers an hour, on a gloomy day with frequent chilly drizzles. Whatever happened to summer?

Cipollini entered the Tour after registering four sprint victories in the Giro d'Italia and four more in the Tour of Catalonia last month.

He has time for another notch in his gun before the race reaches the Pyrenees on Tuesday.

In the contest for overall leadership, Stuart O'Grady, an Australian with Team CSC, retained the yellow jersey. George Hincapie, an American with U.S. Postal Service, moved up a step to second place overall by finishing second in the first of three bonus time sprints to take four seconds off his total elapsed time.

Hincapie trails O'Grady by seven seconds with Bo Hamburger, a Dane with Casino, in third place, 11 seconds behind.

As they did Wednesday, the Postal Service riders went all out to give Hincapie, the American national champion, a good position in the bonus sprints.

After his second-place finish, he was trapped by a crash in the second sprint and, in the third, was unable to gain any of the 6, 4 and 2 seconds awarded to the first three men across the line because they had been scooped up by a three-man breakaway.

Order was restored and the pack rode intact long before Chateauxroux was reached.

Hincapie did his best to win the final sprint but said "The roads were slick from the rain, and I kept worrying about crashes."

In the last dash, he was bumped by Zabel and Jaan Kirsipuu, an Estonian with Casino, and swerved to his left briefly and dangerously.

Kirsipuu and Silvio Martinello, an Italian with Polti, both crashed. Hincapie stayed upright and finished a strong seventh, gaining no bonus time.



Mario Cipollini celebrating victory in the Tour's fifth stage Thursday.

'Bulldog' Returns To Los Angeles And Lifts Giants

The Associated Press

Sitting in the visitor's dugout at Dodger Stadium for the first time, Orel Hershisser could barely contain his emotions.

Hershisser, who left the Los Angeles Dodgers after the 1994 season, was pitching at the stadium for a team other than the Dodgers for the first time in his career.

"It was just another game until the Dodgers went out on the field," said Hershisser, who played with Los Angeles for 12 years. He pitched six strong innings Wednesday night to lead the San Francisco Giants to a 5-3 victory.

"I don't know what it was, but it felt different. There were times when I had to step back and take some deep breaths," Hershisser said. He was the team's beloved "Bulldog" while playing for Los Angeles.

BASEBALL ROUNDUP

from 1983-94, and he ranks 10th in the franchise's record book with 134 victories.

Hershisser (8-7) allowed five hits and three runs — two earned — before being removed for a pinch hitter.

"I've been away from here for 3½ years," Hershisser said. "Baseball moves on. I still think I can pitch. I continue on, that's the way the game goes. My stuff, my location tonight was outstanding."

San Francisco's backup catcher, Brent Mayne, had two hits — including his third homer — and drove in three runs as the Giants snapped a five-game losing streak.

Mayne's RBI single in the sixth snapped a 3-3 tie. J.T. Snow had opened the inning with a double off Darren Dreifort (5-8), and took third on Stan Javier's sacrifice bunt before Mayne's hit.

Diamondbacks 8, Astros 6 In Phoenix, Houston's reliever Billy Wagner was struck in the head by a line drive hit by Kelly Stinnett in the bottom of the ninth inning and was carried off the field on a stretcher. He was taken to a neurological center for tests. Stinnett later scored the winning run.

Wagner was found to have lacerations of the ear canal and was to undergo further tests Thursday.

Reds 4, Cardinals 2 Mark McGwire's throwing error in the 11th inning gave Cincinnati its 10th straight victory overall and its 10th in a row on the road. The Reds' winning streak is their longest since a 10-game run in July 1975. The club record is 12 in a row in 1957 and 1939.

Padres 6, Rockies 2 Kevin Brown (11-3) won his eighth straight decision and tied a career high by striking out 10 Colorado batters in Denver. Steve Finley hit a three-run homer and Greg Vaughn and



The Giants' Orel Hershisser pitching to Raul Mondesi of the Dodgers. San Francisco won, 5-3.

Wally Joyner added three hits apiece for San Diego, which improved to 22-6 against National League West opponents and a franchise-high 27 games over .500 (61-34).

Pirates 12, Mets 1 In New York, Andres Galarraga hit a pair of long home runs and Ryan Klesko also connected for Atlanta. Denny Neagle (10-7) allowed four hits through six innings, winning for just the second time since June 21.

Pirates 3, Cubs 0 In Pittsburgh, Francisco Cordova (7-8) pitched eight shutout innings to outduel Kerry Wood (8-5), who took a two-hit shutout into the sixth.

Brewers 3, Phillies 2 Scott Karl (7-4) won the first time in a month, allowing one earned run in seven innings in Milwaukee's home victory. Curt Schilling (9-9) allowed three runs and eight hits for his ninth complete game to lead the major leagues.

Expos 9, Marlins 5 In Miami, Rondell White went 4 for 4 and Carlos Perez (7-9) won for the first time in eight starts.

In American League games:

White Sox 9, Blue Jays 3 White Sox 5, Blue Jays 2

In Chicago, Albert Belle hit a two-run homer in both games, giving the White Sox slugger nine in his last eight games. He has 27 homers this year and 299 in his career. In the second game, Mike Caruso hit a two-run

homer in the fifth to spoil Dave Stieb's first start since 1993 and give Chicago its sixth victory in seven games. Carlos Castillo (4-4) was the winner.

Yankees 11, Tigers 0 Hideki Irabu pitched eight strong innings and New York hit three home runs in the eighth inning in Detroit. Chuck Knoblauch hit a three-run homer, Jorge Posada had a two-run drive and Paul O'Neill added a solo shot. Irabu (8-3) gave up five hits as New York won for the 12th time in 13 games.

Red Sox 1, Indians 0 Pedro Martinez pitched a four-hitter to outduel Bartolo Colon in a matchup of All-Star pitchers as host Boston beat Cleveland, 1-0. Cleveland's hitters failed to get an extra-base hit for the first time in 138 games.

Orioles 14, Rangers 3 Rafael Palmeiro homered as Baltimore won its seventh straight against Texas and its first on the road in 11 games. Baltimore had 19 hits, a season high.

Martinez 4, Twins 1 Edgar Martinez and Dan Wilson homered in the sixth inning off LaTroy Hawkins (6-8), and Jamie Moyer (6-7) pitched four-hit ball for eight innings to lead host Seattle.

Royals 5, Athletics 1 In Oakland, Jose Rosado matched a career-high with nine strikeouts and Jeff King homered for Kansas City.

Angels 4, Devil Rays 2 Cecil Fielder homered for the first time in nearly three weeks to lead host Anaheim. Shigetoshi Hasegawa (4-1) earned the victory.

What the Cup Gave France: Joy, Litter and Souvenirs

By Mort Rosenblum
The Associated Press

PARIS—World Cup victory gave the French a soul. President Jacques Chirac said, but France also has a mountain of unsold fuzzy stuffed roosters, huge overtime bills and disillusioned merchants.

On a grand scale, most Frenchmen agree, the monthlong soccer extravaganza was a smashing success. But now, as accountants begin to total the francs and centimes, others see it as a mixed blessing.

Although soccer fans came by the hundreds of thousands, the free-spending tourists who normally visit France each summer stayed away. And French men and women sat home by their television sets.

At the same time, official spending soared because of mass littering, fighting in the streets and the constant underlying threat of terrorism.

Few figures are available yet, but the evidence is clear.

"Frankly, we expected better," said Yazid Chaboune, manager of Paris Souvenirs, on the Champs-Elysees. "It is simple to understand," he said. "The good clientele, those who come to see Paris and buy souvenirs, won't show up until later. World Cup people only eat and drink. We get nothing."

But restaurateurs and hotel keepers had their own complaints.

"Business is off, probably by more than 10 percent for most of the better places," said Doreen Dempski, manager of the Laperouse restaurant. "We had a few big parties. But that's it."

Laperouse had to cancel a major event for Christian Dior when the haute couture fashion shows were postponed. The pre-sports show was moved to New York to avoid clashing with the World Cup.

Bordeaux and Nantes reported minor windfalls, offset by heavy municipal spending. Marseille, Lyon and Toulouse saw the same phenomenon as Paris.

"Football fans are a sandwich-and-pizza crowd," said Roland Fritoli, owner of Peron, Marseille's oldest restaurant. "They live at camping sites and cook their own food. Nothing to earn there." Many of his regular customers left town or stayed at home, he said.

In human terms, the cost was high.

A 42-year-old Frenchman died from injuries suffered when a driver plowed into the World Cup victory party on the Champs-Elysees early Sunday. At least 80 were injured.

In another incident, the Paris police said Thursday that a 33-year-old British lawyer was being detained by French police after the car he was driving smashed into a group of fans, injuring 15, who were celebrating France's World Cup soccer victory later Sunday on the Champs-Elysees.

A young policeman remains near death in Lille after German neo-Nazis slammed him in the head with a metal bar during a carefully planned bout of violence.

Thousands of injuries, some of them serious, were reported at the 10 World Cup sites.

Only time will determine whether France can amortize more than a billion dollars spent on lasting projects, such as the 80,000-seat Stade de France and stadium renovations elsewhere.

A more immediate problem is what to do with all the soccer paraphernalia that is growing rapidly obsolete.

Some merchants did well over the past six weeks. Sales of television sets and video recorders doubled. Anyone offering beer in bulk or canned-air horns is happy. But they are exceptions.

Rene Fauchoux, whose sandwich and butcher shop caters to all levels of consumers, was as thrilled as any Frenchman to see a World Cup victory. But for the rest, he was not impressed.

"The World Cup crowd is terrible," he said. "They make a mess, lots of noise, scare away normal customers and spend little. Except for a few guys, I don't think anyone made money."

■ Britons Convicted for Violence

Four British soccer fans were found guilty Thursday of committing violence during the World Cup soccer game between England and Tunisia on June 15. They were sentenced to jail terms ranging from 40 days to two months. Reuters reported from Marseille. A court source identified the men as Steven Powell, 25; Alan Libbiard, 28; Shane Radford, 22; and Martin Kerr, 39.

DENNIS THE MENACE



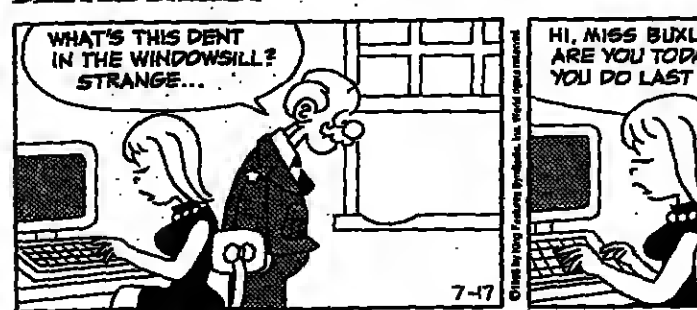
PEANUTS



GARFIELD



BEETLE BAILEY



BLONDIE



CALVIN AND HOBBES



WIZARD OF ID



NON SEQUITUR



DOONESBURY



JUMBLE

THEY SCRAMBLED WORDS BASED ON YOUR OWN WORDS TO MAKE A PUZZLE. IT'S A CHALLENGE TO YOUR VOCABULARY.

CUPAN

PHACT

YULIBS

GOOSTE

Answer keys: A: CUPAN, PHACT, YULIBS, GOOSTE. B: CUPAN, PHACT, YULIBS, GOOSTE.

GRAND HOTEL PARK

Beauty, Health, Relaxation, Tennis and Golf Vacations as from \$19.900 (13 nights) in a Discreet & Luxurious Atmosphere.

Telephone: 01753 781 111 - Telex: 31153 781 111 - Fax: 01753 781 111

POSTCARD

Ataturk Film Assailed

By Stephen Kinzer
New York Times Service

NEW YORK — Debate over the political legacy of Mustafa Kemal Ataturk, the founder of modern Turkey, has upset plans for a film about him that was to have starred Antonio Banderas.

After an intense letter-writing campaign led by Greek-Americans, Banderas withdrew from the project. His agent, Lisa Baum, said he wanted to devote his full energy to another project, "The Phantom of the Opera." Producers of the Ataturk film, however, say Banderas was reacting to pressure from Greek-Americans and others who consider Ataturk unworthy of favorable portrayal.

The figure behind the film is Tarquin Olivier, 61, a son of Laurence Olivier. Olivier, a financier, hopes to begin a new phase of his career by producing the film, which he said would cost \$25 million exclusive of Banderas's salary.

Eager to keep Banderas in the film because much of the financing is contingent on his participation, Olivier plans to fly to Hollywood this week to meet with him.

"He has been very enthusiastic, but obviously he was very put off by these letters," Olivier said in an interview in New York. "Our contacts with people in the Greek community here tell us that this campaign only involves a small number of people. It's motivated by a feeling of hatred not only toward Ataturk but toward Turkey in general. I'm very much hoping that we don't get into a situation which undermines freedom of speech and freedom of the arts."

Notices of Banderas's intention to play Ataturk began appearing in Greek-American publications several weeks ago. One of them published a letter signed by "a member of the Greek community of N.Y." describing Ataturk as a "savage maniac" who was also "a child molester of both sexes, a mass murderer, a destroyer of Greek civilization and in general a disgrace to human civilization as we know it."

The announcements were accompanied by appeals to readers to send protest letters to Banderas and his wife, the actress Melanie Griffith. Olivier estimated that they might have received as many as 1,000 letters.

The campaign has not been universally welcomed by Greek-Americans. An editorial in this week's edition of *The Greek American*, a weekly newspaper published in New York's Long Island, said it had caused many Greeks "to cringe in embarrassment."

"All-out demonization is not serious," the editorial

said. "The end result is to make us look like ethnic hysterics, with these groups' objections usually showing up our own chauvinism and narrow-mindedness more than anything else."

Efforts to make a film about Ataturk, an early 20th century military leader who won glory in battle and went on to forge a modern nation on the ruins of the Ottoman Empire, have a long history. Douglas Fairbanks Jr. and Omar Sharif were among actors involved in such efforts at various times.

This time, however, the project is apparently falling victim to contemporary politics. Some Greek-Americans and Armenian-Americans fear that the film will be reverential, portraying Ataturk as a hero and ignoring what

Antonio Banderas quit the project, reportedly after pressure from Greek-Americans.

they consider his evil deeds. They fear that such a portrayal might lead to a warming of popular feeling toward Turkey, a historical rival of both Greece and Armenia.

Ataturk was responsible for pushing Greek forces from Anatolia after World War I, but then he pursued a peaceful policy toward Greece. His friendship with the Greek prime minister of the time, Eleftherios Venizelos, became so strong that Venizelos nominated him for the Nobel Peace Prize in 1934, praising him as "a great reformer" who made "a precious contribution to the cause of peace."

The script for the planned Ataturk film is by an American writer, Timothy Prager, and is based on a 1964 biography by Lord Kinross that is generally considered less than definitive but the best available. Bruce Beresford, whose films have included "Breaker Morant" and "Driving Miss Daisy," has agreed to direct.

Turkish government officials were wary of the idea for many years, fearing that any portrayal showing Ataturk as having human failings might undermine the veritable cult that has grown up around his memory. But Olivier and his Turkish-born wife, Zelfa, said they had won pledges of cooperation from President Suleyman Demirel and Prime Minister Mesut Yilmaz. They said they had not shown the script to either one or to any other Turkish official.

As far as is known, the letter campaign was generated entirely within the United States. There is no indication of any involvement by government or private figures in either Greece or Armenia.

Creating a Hero: Malaysia's Unlikely Icon

By Thomas Fuller
International Herald Tribune

KUALA LUMPUR — To the outside world, Southeast Asia's best-known creations are microchips and television sets, the products of factories and cramped shop-houses. But some of the region's most successful manufacturers are less tangible: national heroes, slowly built up in the consciousness of nations formed just 40 years ago — glue to hold these young, multiracial nations together.

One such hero is P. Ramlee, a 1950s-era Malay singer and film star whose popularity has slowly filtered into Malaysia's Chinese and Indian communities by virtue of endless television reruns of his films and considerable cultivation of his image by the government.

Twenty-five years after his death, Malaysia is commemorating his work with festivals, exhibitions and more reruns. Ramlee's legacy remains strong partly because he was seen, posthumously, as a good candidate for a national hero in a country where, after centuries of colonialism, Malay heroes are in short supply. "Not only the public loves P. Ramlee," Nasir, the late actor's only son, said with a wry smile. "The government loves him, too."

But Ramlee is also an awkward hero, a man whose free-wheeling lifestyle — he drank hard and enjoyed the company of women — clashes with the values of modern-day Muslim Malay society.

In his day, Ramlee was a James Dean figure, wildly popular among Malays. "He was particularly exciting to the youth," said Khoo Kay Kim, a professor of Malaysian history at the University of Malaya. "People used to comb their hair like him, used to walk like him. They used to try to think like him."

But it was not his looks that propelled him to fame in the early 1950s. "When I met him he was an ugly-looking fellow, with lots of pockmarks," said L. Krishnan, who helped launch Ramlee's career in Singapore and who today runs a film production company in Kuala Lumpur.

Ramlee made up for his looks with a baritone, velvet voice that is still often heard on Malaysian radio. "He was lending his voice to other people who were better-looking or more talented," said Krishnan, who went on to direct Ramlee's first four movies, "Bakti," "Takdir," "Penghidupan" and "Antara Senyum Dan Tangis."

On the surface, P. Ramlee — who abbreviated, South Indian-style, his full name, Ramlee bin Nyak Puteh — was a perfect Malay hero. He was born poor on the island of Penang and grew up in a neighborhood of Indian night-soil carriers. A modest childhood soon gave way to the relative affluence of Singapore, the center of Malay film and a very different place in the late 1940s. "It was a cosmopolitan society par excellence," Khoo said.

Like Penang, Singapore was on the fringes of Malay society, heavily influenced by the British and removed from the formalities and traditions of the Malay court. Ramlee spent his free time at cabarets, gambled and even owned a racehorse.



The cult hero P. Ramlee with his third wife, Saloma.

Ramlee's career followed what might be called the Elvis curve. As musical tastes shifted from the slow ballads of the 1950s, Ramlee's specialty, to the fast and hard days of rock 'n' roll, he failed to keep up. He gained weight, and lost his following. By the time of his death in 1973 he was all but forgotten. His films had flopped, and younger, more adaptable stars had taken his place in the industry. Ramlee died of a heart attack at the young age of 44, almost as poor as he was at birth.

But he would not remain forgotten for long. Thanks to the efforts of a handful of well-placed and nostalgic bureaucrats in Kuala Lumpur, P. Ramlee's songs were back on the airwaves; streets and a concert hall were named after him and he was

awarded posthumously the title of Tan Sri, the country's top honor and roughly equivalent to knighthood in Britain.

Ramlee's popularity grew within the Chinese and Indian communities and among the youth. Aziz Satar, a close friend of Ramlee's and his on-camera sidekick, remembers attending a soccer game several years ago and being approached by a 9-year-old boy who recognized him. "Where is P. Ramlee?" the boy asked. Ramlee, of course, had been dead for two decades. (Aziz fibbed, telling the boy that Ramlee was "at home.")

Meanwhile, Malay society evolved away from the life-style and values of Ramlee's heyday. Laws banning Malays from drinking and gambling were enforced; cabarets were shut down. Malay women, who in Ramlee's day — and indeed, in his movies — wore figure-hugging dresses, began in increasing numbers to don head scarves and loose-fitting *baju kurung*. Unmarried Malay couples who got too close in public places risked being picked up and fined by the Islamic police.

"Malay society has become more conformist," Khoo said.

What is perhaps most ironic about Malaysia's premier cultural icon is that the artistic freedom Ramlee had in making his films seems to have died with him.

Malaysian filmmakers in the 1990s complain of the frequent intrusion of the censorship board. Drinking scenes are banned, and foreign films shown in Malaysia are edited for nudity and profanity.

Filmmakers are not allowed to portray a corrupt policeman or minister. Rosnani Jamil, a well-known film director, told a newspaper columnist in 1994. "This doesn't speak well for the industry. We must accept the fact that there is no such thing as a perfect community. In every community, sad to say, there are always a few black sheep. Filmmakers must be given the chance to portray the truth."

Artists these days complain of more than just the censorship board in Malaysia. Performers who touch on sensitive issues — sometimes unwittingly — can find themselves in a battle with conservative Islamic forces.

Take the popular Malaysian pop band KRU. Last year the band members remixed a P. Ramlee song, Getaran Jiwa, overlaying their own voices onto it. The song became controversial after an Islamic leader said it was forbidden for a dead man to "sing" in tandem with living musicians. Radio stations were allowed to play the song, but only after the song was cleared by the cabinet, the country's highest executive body.

To avoid a ban in several Malaysian states, KRU changed the name of its concert tour from "KRUMania" to the "KRU mega tour." (Mania was judged a dangerous word for KRU's young followers.)

Public controversies like this leave devoted P. Ramlee fans frustrated.

"Artists must be allowed to express themselves," said Khoo, an avid fan of Ramlee's in the 1950s. "If there are too many dos and don'ts imposed on them, then obviously they cannot flourish. And in a society that cannot tolerate deviance you're not going to have extraordinary people."

PEOPLE

A SOUTH AFRICAN newspaper reported that President Nelson Mandela would wed his sweetheart, Graca Machel, on his 80th birthday on Saturday, but a presidential spokeswoman said she was unaware of any nuptials. "Mandela's Wedding Bells," *The Star* newspaper said in a banner headline Thursday, using the clan name by which Mandela is affectionately known. The report quoted unnamed sources as saying the Johannesburg chief magistrate, Charlton Bashe, would formalize the relationship between Mandela and Mozambique's former first lady, the widow of the founding president, Samora Machel. The South African president has publicly declared his willingness to tie the knot but Machel, 52, said this year that she had no plans to become Mandela's third wife even if they were setting a bad example for the young. Archbishop Desmond Tutu has urged the couple, who spend two weeks together each month, to wed, saying it was the moral thing to do.

But he would not remain forgotten for long. Thanks to the efforts of a handful of well-placed and nostalgic bureaucrats in Kuala Lumpur, P. Ramlee's songs were back on the airwaves; streets and a concert hall were named after him and he was

Cartney just before she died of breast cancer is to be given its world premiere at the Edinburgh Film Festival next month. "Wide Prairie" is an animated film based on a song she wrote and recorded. The Argentine artist Oscar Grillo planned and directed the film with McCartney. "It was so evocative," Grillo said. "Beautiful images." Linda McCartney, wife of Sir Paul McCartney, died in April at age 56.

The Polish actor and director Jerzy Stuhur will make a movie from a previously unknown screenplay by the filmmaker Krzysztof Kieslowski, who died in 1996. "A Big Animal" tells the story of a nonconformist 50-year-old living in a small Polish town in the 1970s. Stuhur will also star in the film.

Gianni Versace's memory lives on in Miami Beach, where he was honored a year after his death at the hands of a suspected spree killer. A single coconut palm was planted Wednesday in a park

across from the Italian fashion designer's mansion, where he was shot July 15, 1997. "We just wanted to say in a loving, and on a living level, how much we miss him," said Boh Kunst, a community activist.

The whole of the works of Johann Sebastian Bach are to be made available on 160 compact disks for the first time before the 250th anniversary of the composer's death on July 28, 2000. The conductor Helmuth Rilling is in charge of the project, which will be produced by the Haenssler Classic company.

To ensure that the sultry dance enjoys a high profile, the Argentine ambassador to the United States, Diego Guelar, is founding the U.S. Tango Academy — to be headed by the actor and tango fanatic Robert Duvall. Duvall's third wife, Sharon, was a tango instructor. His current companion, Luciana Pedraza, who is Argentine, took up the dance 18 months ago, but Duvall says she's a natural.



UPSTAGED — Eartha Kitt (Wicked Witch of the West) and her "Wizard of Oz" stage co-star Plenty (Toto) entertaining AIDS patients in San Francisco.

A short film made by Linda Mc-

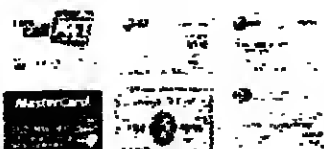


(out of the blue)

You never know where your next business idea will come from. So use AT&T DirectSM Service. With the world's most powerful network, you get fast, clear, reliable connections from anywhere. Plus you'll always have the option of an operator who speaks your language. All it takes is your AT&T Calling Card or credit card, and you're well on your way. And now, back to your vacation.

Steps to follow for easy calling worldwide:

1. Just dial the AT&T Access Number for the country you are calling from.
2. Dial the phone number you're calling.
3. Dial your card number.



AT&T Access Numbers					
Austria.....	022-903-011	Greece.....	00-009-1311	Saudi Arabia.....	1-800-100-10
Belgium.....	0-800-100-10	Ireland.....	1-800-550-000	Spain.....	900-99-00-11
Czech Republic.....	80-42-000-011	Israel.....	1-800-54-54-54	Sweden.....	700-795-011
Egypt (Cairo).....	510-0200	Italy.....	172-1011	Switzerland.....	0800-00-0011
France.....	0-800-99-0011	Netherlands.....	0800-022-1111	United Kingdom A +.....	0800-00-0011
Germany.....	0130-0010	Russia (Moscow).....	755-5042		

For access numbers not listed above, ask any operator for AT&T Direct Service, or visit our Web site at www.att.com/traveler

For access numbers not listed above, ask any operator for AT&T Direct Service, or visit our Web site at www.att.com/traveler



It's all within your reach.

Credit card calling subject to availability. Payment terms subject to your credit card agreement. Bold-faced countries permit country-to-country calling outside the U.S. Collect calling is available to the U.S. only. Country-to-country rates consist of the cost of a call to the U.S. plus an additional charge based on the country you are calling. You can call the U.S. from all countries listed above. *Pay phone deposit. *Limited availability. *Calling available to most countries. *Public phones require local coin payment during the call. *Dial "02" for outside calls. *Additional charges apply outside Moscow. *U.S. UK access number in N. Ireland. *All call rates not complete. Use 0800-013-0011. ©1998 AT&T

